

EIGHT PAGES
FROM SUNDAY'S
The New York Times
WEEKLY REVIEW
INSIDE TODAY

THE JERUSALEM POST

Vol. LV, No. 16547 Monday, June 15, 1987 • Sivan 18, 5747 • Shavul 19, 1407 NIS 0.80 (Eilat NIS 0.70)

VENTILATION MEANS...

Venta

RAMAT-GAN 03-7513251
HAIFA 04-722611 JERUSALEM 02-222550

Settlers tried to run over 2 Arabs

By JOEL GREENBERG

Jerusalem Post Reporter
Settlers returning from last Saturday night's rampage at the Deheish refugee camp allegedly tried to run over two Arabs near Halhoul before they were stopped by IDF troops.

IDF soldiers at the scene reported to police that 19 settlers crammed into two cars drove through Sa'ir village and stopped to dance at Nathan's Tomb, a traditional religious site. They then headed towards an intersection at Halhoul where they reportedly tried to run over two Arabs crossing the road. When the Arabs tried to flee, the settlers got out of their cars, chased them and began beating them before they were stopped by soldiers who had followed their vehicles. The Arabs reportedly picked up stones; one supposedly took cover next to a soldier while the other escaped. The settlers later filed a complaint with Hebron police against the Arabs, claiming that they had tried to hurl stones at them. The Arabs also filed a complaint against the settlers.

In Kiryat Arba, support is growing for six settlers jailed for their role in the Deheish riot. The jailed settlers have announced a hunger strike and their friends and relatives have said they will hold a solidarity hunger strike at the Russian Compound in Jerusalem, where they are held.

The Kiryat Arba local council has labelled IDF accounts of the riot "false" and part of a "vicious" campaign to slander the settlers in order to placate left-wing groups. A council statement last week said the settlers "performed a first-class public service; their actions must not be denounced and they should be given full moral and material support."

ANDY COURT adds
The police are preparing to charge Gush Emunim leader Rabbi Moshe Levinger with refusing to leave a closed military area and insulting the army officer who ordered him to leave, a source in the Bethlehem police said yesterday.

The charges relate to the tensions in Hebron following the recent stabbing of a 14-year-old Israeli boy there, said Bethlehem police spokesman Mordechai Bareket. The charge sheet against Levinger would be transferred to the prosecutor's office within the next day or two, he said.

Egged to strike city buses tonight

Egged buses are to stop operating in cities and towns throughout the country from 8 p.m. tonight in protest against the government's refusal to give the cooperative more money.

The decision to strike came after talks between Egged and government representatives were deadlocked last night.

Egged is now NIS 60 million in debt, Israeli Radio reported, and has not paid any of its suppliers since the beginning of the month.



MK Gula Cohen (right) joins protesting Ethiopian immigrants outside the Prime Minister's Office in Jerusalem yesterday. (Rahamin Israeli)

Demonstration in Jerusalem

Ethiopia holds 37 Jewish activists

By HAIM SHAPIRO

Jerusalem Post Reporter
Thirty-seven Ethiopian Jews are currently imprisoned in their native land because of their ally activities, Ethiopian immigrant leaders said in Jerusalem yesterday.

The immigrants were joined yesterday by other groups active on behalf of Ethiopian Jewry in a demonstration outside the Prime Minister's Office to call on the government to do more to bring to Israel all the Jews still in Ethiopia.

Ya'acov Babu, spokesman of the

Joint Rescue Committee in Support of Ethiopian Jewry, said his group estimated there were at least 15,000 and possibly as many as 30,000 Jews remaining in Ethiopia. Others have set the number as low as 8,000.

He said information from travellers and "other sources," whom he would not identify, indicated that the situation of the Jews in Ethiopia was deteriorating daily. Many Ethiopian Jews had gone to Sudan, in the hope of continuing on to Israel. But when this proved impossible, they returned to their vil-

lages to find that all their property had been confiscated.

The 37 Jews have been in prison for more than four months, Babu said.

The Ethiopian immigrants seemed convinced that if the Israel government wanted to, it could find ways to help the Jews leave Ethiopia, because the regime was seeking greater contact with the West.

The fate of the remaining Jews, he added, was the greatest single concern of those in Israel.

Sharon, rabbis negotiate on wheat

By HAIM SHAPIRO

Jerusalem Post Reporter

In a surprise move, Industry and Trade Minister Ariel Sharon met with the two chief rabbis yesterday and promised to coordinate with them the government's policy on wheat grown during *shmita* (sabbatical) year.

Last week, Sharon announced that he intended to export the wheat grown in Israel this year, in keeping with the demands of ultra-Orthodox rabbis who do not accept a ruling by the chief rabbis that farmers may "sell" their land to a non-Jew in order to avoid the biblical precept to let it lie fallow during the *shmita* year.

Opponents of the export deal, especially in the national religious camp, had seen it as a slight to the chief rabbis, and minister-without-portfolio Yosef Shapira had threatened to resign if Sharon did not meet with the chief rabbis before yesterday's Cabinet meeting at which the issue was discussed.

The cabinet took no decision on the controversial issue, deciding to

wait for a report from Sharon on his negotiations with the chief rabbis.

Formally the issue came up yesterday in two questions from Economic Minister Gad Ya'acobi and Agriculture Minister Arye Nehamkin.

Sharon declared emphatically that his handling of the wheat question had no political overtones and that he had no role in coalition ties with the ultra-Orthodox factions.

Although he had intensive contact with rabbinical scholars of the Eda Haredit for over two months on problems affecting *shmita*, Sharon said, he had no intention of undermining the authority of the Chief Rabbinate.

Sharon said that even with a bumper crop of some 250,000 tons of wheat this year, the country had to import some 1,600,000 tons more from abroad, in order to supply the desired mixtures of grains and flours.

Sharon said he ordered his officials to see that all the wheat and flour requirements of the ultra-Orthodox sector were covered by importing enough wheat. Meanwhile, the farmers would have all

their crop purchased and they would not lose money, he promised. At the same time the cost to the budget would be cut to the minimum, he said.

As much local wheat as possible should be diverted to the non-Jewish sector in Israel and to consumers in the territories, he told his officials.

It would be possible to sell, in a third country deal, some 200,000 tons to the U.S., he said.

Sharon said that the problem lay with the flour-mills and the bakeries whose products carried a *kashrut* certificate from the Eda Haredit and who were afraid of losing their ultra-Orthodox customers. These bakeries included several owned by kibbutzim, he said.

In the discussion, Ya'acobi complained that the Chief Rabbinate had been ignored and that the non-use of local wheat constituted a waste of Treasury funds at a time when vital needs were going unmet in health and education.

Religious Affairs Minister Zevulun Hammer said the Chief Rabbinate had tried to find a solution to the (Continued on back page)

Returning leftists met by police

By JONATHAN KARP

For The Jerusalem Post
TEL AVIV. — The leftist delegation that met with PLO leaders in Budapest last week returned home yesterday, only to be greeted by more policemen than supporters.

Ben-Gurion Airport's police commander, District Superintendent Eliezer Ben-Yehuda, handed a summons to Rahab MK Charlie Biton soon after he stepped off the Austrian airlines that flew him here. The summons states that Biton is to be investigated for allegedly violating the Anti-Terrorism Law, which prohibits contact with members of terrorist organizations.

But Biton, who enjoys parliamentary immunity, said he would not report to the police on June 25 as requested. "It is my intention to call the investigator and invite him to come to see me," he said during a rowdy press conference at the airport.

Tehiya MK Gula Cohen sent a telegram last night to Attorney-General Yosef Harish urging him to apply to Knesset Speaker Shlomo Hilel immediately and request that Biton's parliamentary immunity be removed.

A spokeswoman for the Central District police said that despite his immunity, Biton was obliged to show up for police questioning.

At the request of the government's legal adviser, the police last week began investigating the meeting between the 22-member Israeli delegation and eight PLO officials.

Biton, who was photographed embracing PLO executive Abu Mazen, is the only delegation member to have been summoned by the police so far.

On Wednesday, the trial of four Israelis who met with PLO officials in Romania last November is due to open. One of the four indicted, Ladif Dori, yesterday met Biton and his group on behalf of the Committee for Israeli-Palestinian Dialogue.

Biton described the June 11 meeting with the PLO as a success. Abu Mazen had expressed in writing his willingness to recognize Israel, he said.

"This was the biggest achievement," Biton added, noting that it was the first time a senior PLO official had made such a statement.

Biton stressed that Abu Mazen had accepted mutual recognition between Israel and the PLO as the basis for peace negotiations. He also supported the international conference idea, with the PLO participating as the legitimate representative of the Palestinian people, Biton said.

The PLO would renounce the use of violence, Abu Mazen is reported to have said, if Israel did the same.

Dori commented that, on Saturday, a group of Israeli writers accepted an invitation from PLO executive member Mahmoud Darwish to meet with Palestinian writers in the near future. Neither the place nor the date had been set, he said.

Writer David Ish-Shalom, who travelled with the delegation to both Romania and Hungary, said yesterday that the PLO's willingness to recognize Israel fulfilled one of the government's conditions for starting negotiations.

PM leaves for Africa

Shamir, Peres reopen dispute on int'l talks

By BENNY MORRIS

Post Diplomatic Correspondent

Foreign Minister Shimon Peres has "no government mandate" to discuss the international conference on Middle East peace during his forthcoming visits to Britain, France and West Germany, Prime Minister Shamir declared yesterday before leaving for West Africa.

Peres, on the other hand, told visiting UN Undersecretary-General Marrack Goulding that "the government had not decided either way on the conference" and that he definitely intended to discuss its format with the West European leaders.

The two major party leaders in the government were thus reopening the dispute over Israel's participation in such a conference, which had lain dormant since the government last discussed the issue last month.

It is understood that Goulding was sent to Israel by Secretary-General Perez de Cuellar to sound out possible developments in its position towards the conference.

Peres told the UN emissary yesterday that he would continue "to seek a decision" by the Israeli people about the conference.

Peres also said that the Soviet stand regarding the conference "must be explored." Peres' aides reported that Goulding was under the impression that the Soviets had "recently made their stand on the issue more flexible."

In his own meeting with Goulding, Shamir reiterated his opposition to the conference, "which could serve no useful purpose." He proposed instead to embark on direct face-to-face talks with the Arab states, while being ready to consider the convening of a mini-conference of the region's states, which would include Palestinian representation, but not

the members of the Security Council.

Goulding told Shamir that he intended to meet PLO chairman Yasser Arafat in Tunis. Shamir responded that such a meeting was "superfluous and would bring no good." Israel, he reiterated, would not conduct negotiations with that "terrorist organization."

Shamir, speaking at the airport last night before departing on his African tour, told reporters that he intended to take up the matter of the international peace conference with Peres on his return. He also said that he would discuss the problem of reunification of Ethiopian families in his talks with African leaders.

Earlier yesterday, Peres told visiting Norwegian Defence Minister Jorgens Holst that, in the absence of progress towards peace, the way would be clear for greater Soviet penetration of the area. If the Soviets want to join the process, he said, they must agree to open the gates to Jewish emigration and reestablish diplomatic relations with Israel.

Peres said that one of the ways the West could counterbalance Soviet influence was by supporting an international economic initiative that would ease the economic plight of the poorer Arab states.

Peres assured Holst that he would continue to exploit every opening to advance the peace process and, ultimately, would bring the matter to a decision "by the people."

Tehiya faction chairman Yuval Ne'eman last night urged Shamir to dismiss Peres from the cabinet if he defies the premier's wishes and goes ahead with a European tour to campaign for an international peace conference. Ne'eman reminded Shamir that the Tehiya faction was due to meet next month to decide on early elections.

Arms for the Contras

'Impeachment possible if Reagan knew of funds deal'

WASHINGTON (Reuters). — The chairman of the House of Representatives Iran-Contra committee said yesterday there could be a call for impeachment if it was found President Reagan approved the diversion of funds to Nicaraguan rebels.

But Lee Hamilton, a Democrat, said that as yet he had no knowledge that a memorandum outlining the diversion, written by fired White House aide Oliver North, had been given to Reagan and that Reagan had approved of the diversion.

Reagan has denied he knew that money from secret U.S. arms sales to Iran had been diverted to the American-backed Contra rebels fighting the Nicaraguan government.

Hamilton was asked in a television

interview what Congress's reaction would be if it was found Reagan knew about and approved of the diversion.

"I think it is likely that if that occurred and let us emphasize the if, you would have a demand for impeachment proceedings," he replied.

Hamilton said the memo was the key document to determine if Reagan played a role in the diversion, but he added: I don't know if that memorandum ever got to him or not.

He said if Reagan had received it, it would be a "smoking gun," and would be a very serious matter for congress. But he said it would be unclear whether Reagan had broken a law which restricted U.S. aid to the rebels.

Afghanistan Communists would talk to ex-king

MOSCOW (Reuters). — Afghan leader Najib has said the Communist authorities are ready for contacts with supporters of the exiled former monarch, Zahir Shah, to promote a settlement in the country, the official Soviet news agency Tass said yesterday.

"Time is passing, and we cannot stay in temporary positions," Tass quoted Najib as telling a Communist Party Central Committee plenum in Kabul last Wednesday.

"It is necessary to use the possibilities for entering into contact with monarchist forces, political activists of former regimes, and well-known and authoritative clergymen," Tass quoted Najib as saying.

Diplomats in Moscow said the Soviet Union, which intervened militarily in Afghanistan in December, 1979, had been quietly promoting the idea of the king's supporters taking part in a coalition government in Kabul.

Zahir Shah, 73, ruled Afghanistan from 1933 to 1973. He lives in exile in Rome.

Soviet leader Mikhail Gorbachev indicated last

month that the Kremlin would not object if the Kabul authorities sought political contacts with Zahir Shah.

He told the Italian Communist Party newspaper *L'Unita* in an interview that the Afghan leadership was free to seek partners for its policy of "national reconciliation" among Afghan refugees and emigrants in foreign countries, including Italy.

Najib told the Central Committee meeting that state power in Afghanistan would assume a more representative character in the future.

"Realistic military-political forces will be able to have access to power if they pledge to serve the principles of reconciliation in mixed organs of state power," he said. "We will readily open the doors to those who come to us in peace."

Najib said, the coalition "will not be a propagandistic symbol. We will not give representatives of the other side just two or three armchairs. We will have to share power."

He said this would conform to "the natural laws of the national-democratic revolution (in Afgha-

nistan) and by today's conditions in Afghan society."

Najib said he would have no dealings with those fiercely opposed to his "national reconciliation" policy, which Kabul presents as an attempt to end the war between the Soviet-backed authorities and Moslem rebels.

The authorities were prepared to tolerate a multi-party system in Afghanistan, he said, so long as the new parties agreed to strengthen ties with the Soviet Union.

"We do not insist that these parties agree with (the Communist Party) on points of theory, strategy and tactics. They can have their own points of view," he said.

"But each party has to support the goal that is common to all who want peace in Afghanistan — guaranteed non-use of force, national sovereignty, independence, a policy of non-alignment, the strengthening of the traditional historic friendship with the Soviet Union and the development of relations with neighbouring countries."

Sikh on rampage murders 12 persons

NEW DELHI (Reuters). — Police went on red alert in the Indian capital and launched a massive man-hunt yesterday after Sikh gunmen on a murder spree killed 12 people and wounded 20 others.

More than 1,000 police searched houses in fashionable parts of South Delhi after a young Sikh, armed with a Sten gun, sprayed guests at a child's birthday party with bullets on Saturday night, then hijacked a car, killing late night strollers, passers-by and finally the three occupants of the car.

Police said two young Sikhs were involved.

Mourners assembled at hospitals and at the spacious home of a Hindu building contractor whose one-year-old grandson's birthday celebration

ended in the hail of gunfire. Sikhs themselves expressed horror at the worst carnage in the city in two years, and urged shopkeepers in South Delhi to pull down shutters in protest.

Armed police patrolled the capital and sealed all exits but a spokesman said they still had no clues as to the identity of the killer or his companion.

Vinendra Behl, a member of the contractor's family, said he was at home upstairs when he heard shots.

He said he saw the killings from the window of his room and heard people shouting and screaming in terror. The shooting lasted two minutes.

Behl's brother, a guest and a fami-

ly driver were among the dead and several other guests were wounded.

A streamer saying "Happy Birthday Bharat" still hung on the main door of the house yesterday. The lawn was littered with glasses, bottles and toppled chairs.

A young man on a scooter riding past the Behl home was also shot dead before the two Sikhs coolly left the party and hijacked at gunpoint a car belonging to a guest, witnesses and police said. They ordered the three occupants of the car to drive away and continued shooting.

At a nearby hospital one man stood in a daze near the mortuary. He told reporters: "I and my father were standing by the roadside near a cinema. A car pulled up and one of

the occupants asked a question," before opening fire.

The man's father collapsed and died on his way to the hospital.

The car was eventually found near a park with the bodies of the three occupants, one of them Behl's brother.

A note written in Hindi and found in the car said: "I am the general of the Bhindranwale Force and if innocent people continue to be killed in Punjab by the CRPF (paramilitary police) then we will retaliate by killing innocent people in Delhi."

In Punjab, where Sikh militants are fighting for an independent homeland, 15 people were killed in five separate incidents on Saturday night, the Press Trust of India said.



Hundreds of Palestinians march peacefully through East Jerusalem yesterday to protest against the Israeli occupation. (See story, page 2). (G. Feinblatt/Media)

The weather at major Swissair destinations

	14.6.87	MIN.	MAX.	
AMSTERDAM	9	48	16	Cloudy
BRUSSELS	9	48	16	Cloudy
BIRMINGHAM	9	48	16	Cloudy
COPENHAGEN	17	62	35	Clear
FRANKFURT	13	50	29	Clear
GENEVA	12	54	25	Clear
HELSINKI	11	52	16	Clear
HONGKONG	24	79	31	Clear
JOBABENBURG	6	43	16	Clear
LONDON	16	61	22	Clear
MADRID	14	57	26	Clear
MONTREAL	11	52	23	Clear
NEW YORK	20	69	29	Clear
OSLO	10	50	16	Clear
PARIS	16	59	21	Clear
RIO DE JANEIRO	14	61	26	Clear
SAO PAULO	16	61	26	Clear
STOCKHOLM	11	52	16	Clear
TOKYO	26	84	25	Clear
TORONTO	16	61	26	Clear
VIENNA	14	57	26	Clear
ZURICH	14	57	26	Clear

Tel Aviv, Ben Yehuda St. Tel. 03-5102020
Jerusalem, 30 Jaffa St. 02-31373
Haifa, 2 Savy Road. 04-384655
Beer Sheva, 38 Ha'Avot St. 05-355202
Cairo, Ben-Gurion Airport. 03-5112151

swissair

THE WEATHER

Forecast: Partly cloudy to clear.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	25	21-29	27
Golan	22	16-23	29
Nahariya	11	19-27	27
Safad	30	19-28	27
Haifa Port	70	19-32	28
Tiberias	24	19-36	34
Nazareth	23	17-33	32
Afula	11	17-33	32
Shomron	30	19-30	28
Tel Aviv	70	20-28	27
B-G Airport	53	17-30	29
Jericho	26	20-37	36
Gaza	78	20-37	37
Beersheba	31	19-34	32
Ellat	13	23-38	38

SOCIAL & PERSONAL

World Wizo president Raya Jaglom addressed the Tel Aviv-Jaffa Rotary Club on Thursday, June 11, on Wizo in Jewish communities around the world. The luncheon was presided over by Rotary president Col. (res.) Yossi Carmel. Mrs. Jaglom was introduced by the British Ambassador William Squire, and the vote of thanks was offered by former Knesset Speaker Menachem Savidor.

The cabinet yesterday approved the appointment of Tamar Hecker as legal adviser to the Treasury.

ARRIVALS

John and Laura Pomerantz and their children, Mary and Susan, for the opening of the Fred P. Pomerantz Centre for Technological Education at Boys' Town Jerusalem.

Robert and Beth Caster, Murray and Helene Brill, for the inauguration of the Gertrude H. Caster and Bertha H. Caster Rose scholarship endowment fund at Boys' Town Jerusalem.

VOA accord to be signed on Thursday

By JEFF BLACK
For The Jerusalem Post
Communications Minister Gad Ya'acobi will be in Washington on Thursday for the signing of the agreement on the planned Voice of America relay station in the Arava.

The cabinet yesterday approved a number of additions to the plan, foremost among them being an agreement by the U.S. to provide some \$16 million for the Arava's development. This payment is to compensate for VOA's exemption from local taxes, which had elicited protests from Arava settlers. Arava Regional Council head Ilan Oren last week called for the signing ceremony to be postponed because of the tax exemption, which he termed detrimental to the Arava.

Ya'acobi yesterday told reporters that the U.S. does not pay local property taxes for VOA facilities anywhere in the world. He added that the settlers had the right to voice their opinion, but stressed that his ministry - in cooperation with the Finance Ministry had taken steps to meet the settlers' demands.

Ya'acobi said the agreement marked the turning of a new page in U.S.-Israeli relations after a difficult period. He stressed the economic benefits of the relay station, which will bring more than \$150m. worth of contracts to Israel over the next five years.

The final agreement will be signed at the White House by Ya'acobi and Charles Z. Wick, director-general of the United States Information Agency.

JERUSALEM SYMPHONY ORCHESTRA

The PURPLE SERIES No. 5
DAVID ROBERTSON, conductor
GIL SHAHAM, violin

NIELSEN:
Overture "MASQUERADE"
PROKOFIEV:
Concerto No. 2 in G-minor
RIMSKY-KORSAKOV:
"SHEHERAZADE"

Wednesday, June 17, 1987
Thursday, June 18, 1987
At the Henry Crown Hall, at 20.30

Tickets: at the Jerusalem Theatre box office and ticket agencies in town (last week's tickets are valid for these concerts).

HOME AND FOREIGN NEWS

Sharir expected to extradite Nakash

By MENACHEM SHALEV
Jerusalem Post Reporter
William Nakash's four-year flight from French justice appears to be coming to an end. Senior legal sources in Jerusalem expect Justice Minister Avraham Sharir to order Nakash's extradition in the next few days.

The sources said yesterday that an investigation into the safety of French jails by a Justice Ministry emissary, as well as the refutation of other objections raised by Nakash's attorneys, leave the minister with virtually no option but to order extradition.

Sharir, whose decision last December against extradition was overturned by the High Court of Justice in March, is said to have resigned himself to Nakash's extradition. Sharir was told by advisers that any decision to the contrary would again be overturned by the High Court.

France intends to try Nakash for the February 1938 murder of an Arab in the town of Besancon.

After the crime was committed, Nakash disappeared and ended up in Israel. He was apprehended by the Israeli police in March, 1985, while taking part in a highway robbery attempt between Jerusalem and Jericho. His relatives, including the two chief rabbis, have lobbied against Nakash's extradition, claiming that he acted against anti-Semitic persecution and that his life would be endangered in a French jail by vengeance-seeking Arab prisoners.

In another case, the Foreign Ministry is slated to inform Belgium today that it has no formal opposition to the extradition of Israeli musician Nati Weisman to Sweden. Weisman faces charges of smuggling 20 kilograms of dangerous drugs into Sweden.

Foreign Minister Peres, responding to pressure from Weisman's relatives, had originally opposed his transfer from Belgium to Sweden, citing "special health and personal reasons." But Peres's attempts to secure a trial for the musician in Israel were overruled by the Justice Ministry. It argued that it would be virtually impossible to conduct such a trial here because of the lack of access to evidence and witnesses.

The need for Israel to reply to Belgium derives from a clause in the European Convention on extraditions, which deals with extraditions between two countries involving a citizen of a third country. Despite its formal acquiescence in Weisman's extradition, the Foreign Ministry is asking Belgian authorities to take his "special circumstances" into account and to "consider" transferring him to Israel.

Ministers' panel to decide on university tuition fees

Jerusalem Post Reporter
Four government ministers will meet this week as an *ad hoc* committee representing the Likud and Alignment, to try and fix next year's university tuition fees, the cabinet decided yesterday.

This decision followed a vote of 13 against 11 in support of a proposal by Education Minister Yitzhak Navon.

Navon said it was impossible to procrastinate any longer with respect to the 1987-88 tuition fees, because the academic year was virtually over. He would be glad to go along with the Treasury's proposal for a public committee to fix fees for future academic years, Navon said, but not for the coming one.

Finance Minister Moshe Nissim, whose proposal to set up a public committee forthwith - to fix fees for the coming year as well as subsequent years - got only 11 votes, warned that the Treasury would not give the universities another *agora*, even if the students' fees proved inadequate to meet their expenses.

Religious Affairs Minister Zevulun Hammer said the only two realistic options facing the cabinet were to decide next year's fees on the spot, the same day, or have a committee of ministers decide within the next seven days.

Vice Premier and Foreign Minister Shimon Peres said the last cabinet decision, which set a two-tier fee, with students who had not served in the IDF paying \$500 a year more, had caused great harm and should be rescinded. He said that his recent visit to the Hebrew University had shown him that financial burdens were undermining the academic and scientific foundations of Israel's universities.

The decision for a two-tier tuition scale had provoked widespread public opposition as constituting unabashed discrimination against Arab students.

Minister-without-Portfolio Yigael Hurvitz said there was no reason why students next year should pay less than this year's \$1,350, which was made up of the basic fee plus a special levy.

Energy Minister Moshe Shahal said that, in his view, a fair fee for 1978-88 would be \$1,150.

Premier Yitzhak Shamir said that the four-man team would be made up of Peres, Nissim, Navon and Science and Development Minister Gideon Parit.

Shamir said whatever the four decided unanimously would be tantamount to a government decision. But if they failed to agree, he said, the matter would be referred back to the government next Sunday.



Industry and Trade Minister Ariel Sharon meets yesterday with Chief Rabbi Avraham Shapira (centre) and Mordechai Eliahu.

Harish: Reject Kahane petition

Jerusalem Post Reporter
Attorney-General Yosef Harish yesterday called on the High Court of Justice to reject out of hand a petition filed by MK Meir Kahane against Knesset Speaker Shlomo Hillel.

Kahane is appealing for an order nisi against the Knesset Speaker, who revoked some of his rights as a Knesset member because of his failure to take the oath of allegiance to his original form. Kahane insists on adding the words "I will keep your Torah forever."

In papers filed in the court, Harish said that the law did not permit any deviation from the text of the pledge and that therefore Hillel had a right to repeal some of Kahane's privileges.

He asked the court not to issue a temporary injunction against the Speaker of the Knesset pending the outcome of the appeal, in recognition of the delicate balance between the legislature and the judiciary.

He added that Kahane's appeal was a "nuisance" appeal, that was not brought to the court with "innocent heart or clean hands."

The State Department's legal adviser, Judge Abraham Sofaer, has denied ever suggesting in his legal briefs against Kahane that it was impossible to be both an observant Jew and a loyal American citizen at the same time.

Sofaer had pointed out that he himself is an observant and proud Jew who has never had any problem also being a good American.

In another action filed with the High Court in Jerusalem, Kahane said that Sofaer had made exactly the opposite point as part of the State Department's so far unsuccessful effort to strip him of his American citizenship.

The State Department has argued before U.S. courts that Kahane, by becoming a member of the Knesset, effectively renounced his U.S. citizenship. Since making aliyah in the early 1970s, Kahane has maintained dual U.S.-Israeli citizenship as have thousands of other American olim.

Kahane has refused to give up his American citizenship and passport, fearing that U.S. authorities would routinely block his re-entry into America for speaking and fund raising activities.

IMA pressures Health Ministry

By JUDY SIEGEL
Post Science and Health Reporter
Bowling to pressure by the Israel Medical Association, Health Ministry Director-General Dov Golan yesterday asked a Knesset committee to postpone discussion of a bill that would give him unilateral power to suspend doctors suspected of negligence.

In response, the IMA called off a doctor's strike that was scheduled for tomorrow, the day the bill was to have been discussed in the Labour and Social Affairs Committee.

After declining all day to comment on the bill, Golan told Education Television's *Erev Hadash* programme that he had asked committee chairwoman Ora Namir to postpone discussion of the bill.

IMA chairman Dr. Rami Ishai had appeared earlier on the show to denounce the bill, which would have empowered the ministry director-general to suspend a doctor's licence for six months "if he was suspected of negligence" or "if the police were investigating a physician involved in a shameful crime."

When the IMA learned of the bill, which was proposed by Golan, it managed to get ministry support for an amendment whereby a disciplinary committee can temporarily revoke a doctor's licence only if he is indicted for "serious negligence" and his continued contact with patients endangered the public.

But because of "a lack of coordination" between the Health and Justice Ministries, IMA officials said, the Justice Ministry was unwilling to propose the amended bill. The IMA then sent a telegram of protest to Health Minister Shoshana Arbeli-Almosino, but she is abroad.

The issue became urgent in recent weeks, with the early release from prison of Dr. Yosef Anais, a Jerusalem dentist who was found guilty of negligence in causing the death of a three-year-old girl he had put under general anesthesia.

Anais was the first Israeli practitioner of medicine or dentistry to be imprisoned for negligence. He was released after four months in prison, having received a third off his six-month sentence for "good behaviour."

The Health Ministry disciplinary board was surprised by the early release; it had set the hearing on the revocation of his licence for the end of this month.

Present law allows the disciplinary board to suspend or revoke a practitioner's licence only after he has been dealt with by a court of law, not before.

Golan told *Erev Hadash* by phone that he would allow a week for an "examination of the problem" before it is brought before the Knesset Committee.

Almosino, but she is abroad.

The issue became urgent in recent weeks, with the early release from prison of Dr. Yosef Anais, a Jerusalem dentist who was found guilty of negligence in causing the death of a three-year-old girl he had put under general anesthesia.

Anais was the first Israeli practitioner of medicine or dentistry to be imprisoned for negligence. He was released after four months in prison, having received a third off his six-month sentence for "good behaviour."

The Health Ministry disciplinary board was surprised by the early release; it had set the hearing on the revocation of his licence for the end of this month.

Present law allows the disciplinary board to suspend or revoke a practitioner's licence only after he has been dealt with by a court of law, not before.

Golan told *Erev Hadash* by phone that he would allow a week for an "examination of the problem" before it is brought before the Knesset Committee.

Netanyahu mooted for Dulzin's post

By ARYEH RUBINSTEIN
Binyamin Netanyahu, Israel's ambassador to the UN, is expected to inform the Zionist General Council this week that he is a candidate to succeed Arye Dulzin as chairman of the Zionist Executive at the end of this year.

According to WZO spokesman Zvi Eyal, Dulzin's only comment at this stage was that Netanyahu's candidacy would be an honour to the Zionist movement.

The two main issues before the ZGC, whose four-day proceedings open tonight at Jerusalem's Binyanei Ha'uma, are WZO-Jewish Agency relations and the proposed streamlining of the World Zionist Executive and departments.

The World Confederation of United Zionists, of which Hadassah is the largest component, will propose the reduction in the number of WZO departments from 14 to 11. Each department eliminated will save \$1 million a year, according to Kalman Sultank, executive co-president of the confederation.

The confederation will also propose a two-tier executive to replace the present 36-member body: a 14- or 15-member inner executive and an enlarged executive.

Righteous honoured

Yad Vashem yesterday honoured four brothers of the Puchalski family of Poland for saving Jews from the Gdansk ghetto during the Holocaust.

The consecration of the tombstone of

Prof. MOSHE (Muzz) HILL

will be held on Wednesday, June 17, 1987, at 4:30 p.m., at the Kfar Samir Cemetery, Haifa.

Judy, Batsheva, Eli, Noemi

With sadness, we announce the passing of our much loved husband, father, grandfather and father-in-law

Dr. ZOLTAN GAJDOS ז"ל

Canada - Israel

The Family

Prof. YEHUDA CHARLES BLOCH

Lecturer in General History at Tel Aviv University
died in Paris yesterday, Sunday, June 14, 1987 (17 Sivan 5747).

His widow, Jacqueline Bloch

Palestinians hold protest march in East Jerusalem

By ANDY COURT
For The Jerusalem Post
Carrying black flags and a banner declaring "Steadfastness Until Victory," some 300 - 400 Palestinians, joined by about 40 left-wing Israeli Jews, marched peacefully through the streets of East Jerusalem yesterday to protest against the occupation and advocate the establishment of an independent Palestinian state.

It was said to be the first time such a large group of Palestinians had sought police permission to protest against the occupation, according to members of a Committee Confronting the Iron Fist, which organized the march. In the past, the committee had organized sit-ins of less than 50 people, which required informing the police but not a signed permit.

According to Sari Nusseibeh, a Bir Zeit University professor and member of the committee, this was the first time organizers met with police to negotiate a permit.

"What we want basically is to try to bring as many people - Palestinians and Israelis - to the streets to protest the occupation," Nusseibeh said. "And when we say the occupation of the West Bank, we also mean

Jerusalem."

The march began at the bus station on Nablus Road at about 4 p.m. and moved past the Mandelbaum Gate area and then to the Hakawati theatre, located just off Salah e-Din. Police on horses occasionally moved to block the protesters or hem them in, but there were no violent exchanges. Men with megaphones repeated Arabic slogans, but the marchers themselves did not chant.

At the theatre, the group listened to speeches by Dr. Anis el-Khatib, chief administrator of the theatre; lawyer Khaled Al-Kidrah, head of the Gaza Lawyers' Association; and MK Mohammed Miari (Progressive List for Peace).

The roughly 40 Jews who participated were members of parties such as Progressive List for Peace and the Communist Party, according to Michael Warschawski, one of the organizers, who headed the Alternative Information Centre in Jerusalem until police closed it down.

The Committee Confronting the Iron Fist is the only group of Israelis and Palestinians coordinating joint action against the occupation. Nusseibeh said.

Shin Bet probe stymied by hunt for hearing site

By MENACHEM SHALEV
Jerusalem Post Reporter
The judicial commission of inquiry charged with probing the Shin Bet's investigation methods is continuing to search for premises in which to conduct its hearings. This has delayed work on preparations for the start of the probe.

Commission coordinator Judge Alon Gilon said yesterday that a number of possible sites were still under consideration. He added that he hoped the choice would be brought to the government Housing Committee in the next few days for approval.

The commission is searching for a building that has a hall which can accommodate the judicial hearings, has adequate auxiliary rooms, and

can be easily guarded. The renting of the site, as well as the hiring of the staff for the commission also requires budgetary approval by the Treasury.

The commission will apparently place advertisements in daily newspapers, calling on anyone who wishes to testify to submit a request in writing.

The commission is expected to hear the testimony of former prime ministers who carry ministerial responsibility for the Shin Bet, former heads of the service, current and former service investigators, as well as several lawyers who defend security prisoners and who have repeatedly alleged that the Shin Bet employs improper investigation techniques against its clients.

Labour dispute declared in press, broadcasting

The National Federation of Israeli Journalists has declared a labour dispute in the printed press and the Broadcasting Authority. The federation claimed that the publishers and the Broadcasting Authority were refusing to conduct negotiations on the journalists' demands for a new contract which were tabled in April. The formal declaration of a labour dispute authorizes a union to strike after a fortnight. (Iim)

On the occasion of the shloshim of our dear

Architect

AVRAHAM (Axel) AXELROD ז"ל

There will be a memorial ceremony and the unveiling of the stone on Wednesday, 17/6/87 at 16:00 at the Holon cemetery (new gate).

Our thanks to all our consolars.

The family

We mourn the passing of

PHILIP MEDALIE ז"ל

Founder and Honorary President of the South African branch of the Association for the Welfare of Soldiers in Israel

Yosef Nevo
Chairman, Association for the Welfare of Soldiers in Israel

With great grief, we announce the passing of

ANNIE COLE ז"ל

Burial will take place today, Monday, June 15, 1987, at 2 p.m., at Herzliya Cemetery. We will meet at the main entrance.

Husband, Harry Cole
Daughter and son-in-law, Jacky and John Hanauer
Grandchildren, Elaine and David and their families

We extend our deepest sympathy to

HARRY COLE
and his family on the passing away of his wife

ANNE

The members of "ESRA" - Senior Citizens Herzliya

הכרזת לאום

Hopes city to remain united forever

Rommel honoured in J'lem

By ABRAHAM RABINOVICH

Forty-five years after the Jewish Yishuv in Palestine was preparing for a Masada-like last stand against Field-Marshal Erwin Rommel's Afrika Corps, as it moved eastwards towards the Suez Canal, Rommel's son was yesterday designated a "Guardian of Jerusalem" by the Jerusalem City Council.

In a ceremony at City Hall, Manfred Rommel, 58-year-old mayor of Stuttgart, expressed satisfaction that his father's army had been defeated. "If the Afrika Corps had succeeded in taking the Suez Canal, it would have been very difficult for this country and its Jewish population," he said. "The majority of Germans know today that it was much better to lose the war than to win it with Hitler."

Mayor Teddy Kolek, who initiated the bestowal of the award, cited Manfred Rommel's activities on behalf of Jerusalem. Rommel has helped raise funds in Europe as a member of the board of the Jerusalem Foundation towards the construction of the major health centre in East Jerusalem, and is one of the few European politicians to publicly support Israeli sovereignty over a united Jerusalem.

Rommel said that Jerusalem under Kolek's regime was the most impressive model he knew of striving for tolerance among very diverse peoples. In a world that was growing steadily smaller, he said, such coexistence was vital. "What has happened here is really astonishing," he said. Rommel expressed the hope that Jerusalem would remain united forever.

The Vienna-born Kolek, who pinned an emblem of Jerusalem on Rommel's lapel to the applause of the invited audience, said that Erwin Rommel's opinions and his fate set



Mayor Manfred Rommel of Stuttgart, Germany, is pinned by Mayor Teddy Kolek of Jerusalem in a ceremony yesterday in which he was named Guardian of Jerusalem. (Rahamim Israeli)

him apart from other German war leaders. (Rommel was forced to commit suicide after being implicated in the plot against Hitler.) Kolek said that North African Jews believe that it was Rommel who prevented the Nazi extermination programme from being carried out against them. He noted, however, that if the Afrika Corps had captured Palestine, the fate of the population would not have been in Rommel's hands.

When Rommel's army appeared headed for conquest of the Middle East, Jewish underground leaders in Palestine drew up plans to turn the Carmel range into a military bastion

for a last stand. Manfred Rommel is the 17th foreigner to be made a "Guardian of Jerusalem," the only other German to be similarly honoured was publisher Axel Springer.

Councillor Zvi Rosen of Kolek's One Jerusalem Party, a Holocaust survivor, had abstained from the otherwise unanimous council decision to honour Rommel.

Outside City Hall yesterday, a lone demonstrator shouted at Rommel: "If your father had won, we would all have been in Auschwitz." The demonstrator hastened to add that he was not protesting against Manfred Rommel personally.

'Safe' diet pills available soon

By JUDY SIEGEL

Post Science and Health Reporter Appetite-reducing drugs that have no dangerous side effects and the transplantation of brain cells to treat certain brain disorders are among the latest advances in the field of catecholamines being discussed at a six-day international symposium taking place this week in Jerusalem.

Over 1,000 scientists from Israel and abroad, including Nobel Prize winner Prof. Jule Axelrod from the U.S., are attending the Sixth International Catecholamine Symposium at the Hilton.

Catecholamines are chemical substances that transmit messages through the nervous system in the body. They are of great importance in cardiology, psychiatry and neurology.

Symposium chairman Prof. Haim Beinaker of Ben-Gurion University of the Negev, told reporters last week that within two years diet pills that curb the appetite without all the dangerous side effects found in drugs today should be on the market.

In addition, much progress has been achieved on research into the transplantation of brain cells into people suffering from Parkinson's disease, epilepsy, brain damage resulting from accidents, and mental illness resulting from a shortage of catecholamines.

A top catecholamine expert from Moscow, Dr. Madeleine Erlina, was refused permission by the Soviet authorities to attend the symposium because she is a refusenik. The 57-year-old scientist has been trying to emigrate to Israel for several years. Only two weeks ago, her son Michael Kara Ivanov, was allowed to come on aliya with his wife and four children after eight years of being refused visas.

According to Ivanov, who is a biochemist and was part of a group of newly religious Jews in Moscow, his mother will stage a hunger strike in the USSR while the symposium is being held in Jerusalem. Erlina was an adviser to the organizers of the fourth catecholamine symposium in California in 1978.

Arabs threaten not to reopen schools

By DAVID RUDGE

JEERAM. - Arab leaders are threatening to keep schools closed at the start of the new term in September unless the government acts to ease "chronic" educational problems.

They are demanding a special exemption from the proposed cuts in the education budget, and a commitment to construct 200 new classrooms a year for the next five years.

Civic heads maintain that Israeli Arab schoolchildren already suffer from deprivation because of inadequate facilities. Further cutbacks would exacerbate the situation and widen the gap between the Arab and Jewish sectors, they add.

The most pressing problem, according to the leaders, is the shortage of classrooms. The number of pupils throughout the Arab sector has risen dramatically over the past few years, outstripping available places. As a result, thousands of Arab youngsters in towns and villages within the Green Line have to study in rented buildings on split sites.

Education Ministry officials, recognizing the problems, made proposals to address the situation. Plans included the construction of 200 classrooms a year for the next five years.

But the proposals were affected by financial restrictions and the building programme was reduced to 40 new classrooms in the current fiscal year.

Arab leaders have accused the ministry of breaking its promises; they say the restricted building programme will not have any impact on the overall situation.

"At that rate it would take decades to provide our children with the kind of accommodation they deserve," said Ibrahim Nisar Hussein, chairman of the National Committee of Arab Local Councils.

Arab civic heads have also complained about the disparity in equipment and facilities between Arab and Jewish schools, especially in science and technology classes.

The decision not to open schools at the start of the new term was taken at a meeting of Israeli Arab leaders at Umm al-Fahm on Saturday, when they also established a committee to coordinate the proposed one-day general strike of the Arab sector, scheduled for next Wednesday.

The strike is planned as a protest against what they described as the government's "apartheid policies," which, they said, had reached new heights with the recent decision over differential tuition fees. They also complained of inequality in local authority budgets, health services and housing as well as schooling.

Hussein called for a meeting of Arab leaders with the ministers of finance, education, and the interior, and with Minister-without-Portfolio Moshe Arens to try to resolve the "pressing economic and social problems" in the Arab factor.

Man sues for NIS 5m.

BEERSHEBA (Itim). - A man who was falsely charged by police years ago with attacking a police officer, and was acquitted after a three-year long trial, is suing the state for NIS 5m.

In a suit filed in Tel Aviv District Court last week, Yehoram Wilaz, 37, claimed that during those three years he had been compelled to devote himself entirely to the preparation of his defence. He said his whole life had been blighted by the trial and by the efforts he had to make to win acquittal.

He claimed that the false charges originated from the fact that he had been attacked by a police officer while in the Beersheba lockup.

Wizo volunteer prize

TEL AVIV. - Rivka Nathanel, 84, was awarded the Hana Levine Memorial Wizo Volunteer Prize for 45 years of voluntary service to the organization. At the same ceremony at Beit Wizo, Vivi Shauli, a volunteer in her thirties, received an award for her work in a Wizo community centre in Petah Tikva, and a group of Wizo members from Pardess Hana received the group prize for tutoring children in arithmetic, English and Hebrew.

The award presented annually to a Wizo branch went this year to Herzliya for a variety of services to schoolchildren, problem teenage girls, and women.



VICTORIOUS. - The winning trio of the Le Mans 24 hour race, (L to R) Hans Stuck (West Germany), Al Holbert (US) and Derek Bell (Britain) celebrate with champagne after winning the tough race in their Porsche 926C. (Reuter telephone)

Unstoppable All Blacks

BRISBANE (Reuter). - New Zealand wrote their names on yet another page of the record books yesterday, when they crushed Wales 49-6 and strived remorselessly into the final of the rugby union world cup.

New Zealand, who have already in this tournament improved the record winning margin and most points scored in an international, recorded their biggest victory over one of their oldest rivals.

The victory margin eclipsed New Zealand's previous highest over Wales - 33-12 in Auckland in 1969 - and the Welsh have now gone 34 years without a win over the All Blacks.

The All Blacks now face the brilliant French team who outplayed

joint-hosts Australia in Sydney on Saturday. The match is to be played on the All Blacks' home territory in Moore Park in Auckland and the hosts are favourites to win the trophy.

New Zealand dominated all aspects of the game, scoring four tries in each half and flyhalf Grant Fox kicked with ruthless accuracy. He converted seven tries and added a penalty for a tally of 17 points.

To complete their misery, Welsh lock Huw Richards became the first player to be sent off in the tournament when he was dismissed late in the second half after an apparently unprovoked attack on flanker Alan Whetton.

Becker through

LONDON (Reuter). - Wimbledon champion Boris Becker beat defending champion Tim Mayotte in a high-class war of serve-and-volley attrition and reached the final of the \$300,000 Stella Artois grass court championships at Queen's Club yesterday.

Top-seeded Becker's 4-6 7-6 6-4 victory avenged a defeat by Mayotte in the quarter-finals here last year and put him into today's final of what has been a rain-hampered tournament against Jimmy Connors, the fifth seed.

"I think this was as good as a grass court match can be," said Becker after beating the gentlemanly American who is a grass court specialist.

The Scottish grass court championships, which began in Edinburgh on Wednesday, ended in shambles when Ivan Lendl quit the tournament because of an injury to his left hand. Lendl pulled out of his match against Anders Jarryd due to influenza, leaving the Swede, who played just one entire match, to face Ecuador's Andres Gomez in the final for the John McEwen trophy.

Unfortunately rain put paid to both the men's and women's finals. The women's final between Gabriela Sabatini and American Lori Border was cancelled to give priority to the men's final. But Jarryd and Gomez managed only five pages before rain began to pour.

The two men split the \$70,000 first and second prizes and headed for Edinburgh Airport.

In Bologna, Italy, Kent Carlsson of Sweden overpowered Emilio Sanchez of Spain 6-6 6-1 in the final of the Grand Prix tournament yesterday.

SCOREBOARD

ITALIAN SOCCER. - Napoli crowned their first ever league title by adding the Italian cup to their trophy cabinet for the third time. They beat Atalanta 1-0 in the second leg of the final.

WEST GERMAN SOCCER. - First Division results: Fortuna Dusseldorf 2, Werder Bremen 1; Cologne 2, Borussia Mönchengladbach 4; Nürnberg 2, Kaiserslautern 1; FC Bayern 3, Waldhof Mannheim 1; Bayern München 1, Bayer Leverkusen 1; Stuttgart 1, Bayern München 3; Schalke 3, Eintracht Frankfurt 1; Borussia Dortmund 3, Borussia Mönchengladbach 2; Borussia Dortmund 1, Hamburg 2; Borussia Dortmund 1, Hamburg 2.

Relentless Blue Jays

NEW YORK (AP). - Not even bad breaks can stop Toronto. Dave Steib, who was scheduled to start, couldn't pitch against the Baltimore Orioles on Saturday night. So Sunday's starter John Cerutti was given five minutes' notice.

"I was just sitting in the clubhouse getting ready to chart the game when pitching coach John McLaren hollered for me. I was thinking to myself, 'what could he possibly want me for,'" said Cerutti, who pitched a five-hitter in Toronto's club-record 11th straight victory.

Cerutti struck out four and walked four in earning his second complete game and leading Baltimore's 11th straight win. The Blue Jays took a 3-0 lead by scoring once each in the third, fourth and fifth innings. Tony Fernandez, his third home run of the year with one in the third off Baltimore starter Scott McGrew, 2-6. Saturday's National League games: St. Louis 9, Chicago 2; San Diego 11, San Francisco 2; Cincinnati 5, Atlanta 2; Pittsburgh 4, New York 3; Montreal 7, Philadelphia 5; Los Angeles 7, Houston 1.

Perkis is admant

By JACK LEON

TEL AVIV. - The Israel Tennis Association is making another effort to persuade Shahar Perkis to play for Israel in next month's World Group Davis Cup quarter-final against India in New Delhi. Perkis, 25, has remained adamant stating that he was resolved to quit international competition because of health problems, taking up university studies instead.

Following a meeting of the ITA's selection committee, association general-secretary Zvi Meyer told me yesterday evening that Israel's non-playing captain Yossef Stabholz had been designated to make a final effort to get Perkis to change his mind and turn out against India.

Israel will have two representatives in the Wimbledon singles and doubles qualifying tournaments starting today, with Glickstein being joined by Dana Berger at the Roehampton courts in London.

Parents play an important role in children's education

By LEA LEVAVI

RAMAT GAN. - The computers which Ramat Gan Mayor Uri Amit dedicated yesterday at the Usha Religious Elementary School are only the tip of the iceberg of changes in the school that parents have brought about in the past three years.

"Our real message," said Dr. Hava Brender, a Bar-Ilan University chemistry lecturer and the leader of the Usha parents' effort, "is that parents have an important role to play in their children's education. It's not a matter of money. It's more a question of influence. The kind of education their children receive."

Three years ago, Brender and her fellow parents held a banquet to raise money for the school. "We didn't know it at the time but that was apparently the first time funds had been raised for a school which did not cater to children with special problems."

The money made possible the introduction of a new, interdisciplinary, integrative teaching method which broke down the walls between school subjects and provided increased opportunities for creativity. It also made possible the purchase of video equipment, which allows teachers to record educational television programmes.

The computers, which cost each family approximately NIS 200, were the latest investment. However, as Brender emphasized, money is not everything. "We helped to decide which computers were bought and how they should be used. We brought the teaching of Arabic and Yiddish into the school, which didn't cost anything but which took months to arrange. The World Centre for Yiddish wants people to learn the language, but somehow it still took months to get funding from them."

Parents initiate outings and participate in evening courses which familiarize them with the new methods being used in the school.

The principal, Esther Rivlin, was open to parental involvement, which helped a great deal, Brender said. "But, she added, the parents' attitudes were equally important - if they came to the school complaining and making demands, they would be less well-received than if they came saying 'What can we do to help?'"

Brender said she did not want to tie her school's initiative to cuts in the education budget. "We started before that whole problem and we wouldn't want anyone to feel we are interfering with their efforts to prevent further cuts," she said. "We simply want to give our children all we can, and we know that, united, we can do things which individual families could not do alone."

She would like to help parents from other schools develop similar programmes, but she has not yet decided how this could best be done. In the meantime, anyone wanting further information may contact her at Bar-Ilan University or at home, telephone 03-735663.

Volunteer IDF guards at 'frontline' settlements in North

By DAVID RUDGE

ROSH HANIKRA. - Hundreds of IDF officers and career soldiers are to use some of their spare time at night doing guard duty at "frontline" settlements in the North.

The move was instigated by OC Northern Command Aluf Yossi

Peled, who has himself volunteered for night patrols at a settlement.

The IDF spokesman explained that in the past there had been sufficient reserve soldiers to fill the guard duty rosters at towns and villages along the border from Rosh Hanikra to the Golan Heights.

Lately, however, the onus of re-

sponsibility had fallen more heavily on the shoulders of the settlers themselves.

The spokesman said the aim of the new move was to ease the burden on the settlers, while strengthening the bond between the army and residents in the North.

TODAY'S ENTERTAINMENT

EDUCATIONAL TV
8:00 Telecast 8:00 Keep Fit 8:40 School Broadcasts 14:00 Telecast 14:00 Keep Fit 14:15 Mating Magic 14:25 Surprise Train 15:00 Mrs. Paperpot - animated film 15:15 Family Problems 15:25 Keep Fit 15:40 Five Mile Creek (pt 27) 17:00 A New Evening - live magazine

ISRAELI TV
CHILDREN'S PROGRAMS
17:30 The Care Bears (part 8) 18:00 The Children from Degras Street (part 8)
ARABIC-LANGUAGE PROGRAMS
18:30 News roundup 18:32 Programme Trailer 18:35 Sports 18:30 Newsline 18:35 Programme Trailer 18:35

HEBREW PROGRAMS resume at 21:00 with a news roundup
20:02 The Citadel, Part 5 of a 10-part BBC drama serial
21:00 Mabat Newsline
21:35 Crime Investigation - live unsolved crime detection series
22:35 The Immortal Story. TV movie about Orson Welles, starring Jeanne Moreau
23:30 Crime Investigation (continued)
23:45 News

ISRAELI TV CHANNEL 2
19:00 Two Together 19:30 Hebraia Hatviv 20:00 Second Look - Israel Railways 20:45 Shorts
JORDAN TV (unofficial)
17:30 Cartoons 18:00 News Hour 18:30 News in Hebrew 20:00 News in Arabic 20:30 Three Up Two Down 21:10 Magnum 22:00 News in English 22:30 Whose Baby?

MIDDLE EAST TV
13:30 Another Life 14:00 700 Club 14:30 Shape-Up 15:00 Afternoon Movie: Crack-Up 15:30 Muppet Babies 17:00 Super Book 17:30 Fraggle Rock 18:00 Happy Days 18:30 Love & Shirley 19:00 News 20:00 Magnum P.I. 21:00 NBA Playoffs 22:00 700 Club 23:30 Another Life

VOICE OF MUSIC
6:02 Morning Melodies 7:09 Bach: Suite No. 4 (Berlin Radio/Maselli); Haydn: Cello Concerto No. 1 (Har-Noy); Reich: Quintet for Flute, Oboe, Clarinet, Horn and Bassoon, 802; Brahms: Symphony No. 3 (Berlin Philharmonic/Germania); 9:00 Regar: Suite Op. 53; Poulenc: Piano Concerto (Ortiz, Birmingham/France); Janacek: Smetak for Wind Instruments, "Youth"; Bartok: Music for Strings, Percussion and Celeste (Slovakian Radio/Berndt); Stravinsky: "Le Balade de La Fe" (National Scottish/Jarvi) 12:00 Schubert: 2 Marches for Piano Duo (Eden, Tamir); Songs: Avni: "Behind the Curtain", piano quartet 13:00 Boyce: Symphony No. 11 (St. Martin/Martini); Dvorak: String Quartet, "American"; Russell: Trio for Flute, Viola and Cello; Stravinsky: "Pulcinella" (IPO/Bernstein) 15:00 Music Appreciation 16:00 (1) Suisse Romande Orchestra under Richard Holzer - Stanford: Requiem (prominent performance); Handel: Te Deum; (2) Arthur Ensemble - Works by Arnold, Haydn and Francaix 18:00 Emphasis on the Performance 19:00 Works by Puccini: Cherubini and Mayrany 20:00 Musical Medley 20:30 North German Radio Symphony Orchestra under Charles Dutoit -

Zimmermann: "Silence and Chaos"; Prokofiev: Violin Concerto No. 2; Berlin: Symphonie Fantastique 22:30 "Then and Again" 23:00 Schubert: Piano Sonatas

RADIO 1st
6:02 Programmes for Olm 7:30 Programme in Easy Hebrew 9:05 Information 9:05 Information for Listeners 10:05 Morning News 11:10 School Broadcasts 11:30 Follows 12:05 Mid-East Medley 13:00 News in English 13:30 News in French 14:00 Children's programmes 15:30 Education for all 16:00 The Middle Years 17:20 Everyman's University 18:00 Jewish Traditions 18:05 Reflections on the Portion of the Week 19:30 Bible Reading 19:30 Programmes for Olm 22:05 Every Man has a Star - with astrologist Ian Pecker

RADIO 2nd
6:12 Gymnastics 6:30 Editorial Review 6:33 Green Light - drivers' corner 7:00 This Morning - news magazine 8:05 Making an Issue 9:05 House Call - with Rivka Michaeli 10:05 All Shades of the Network - morning magazine 11:30 Safe Journey 12:10 O.K. on Two 13:00 Midday - news commentary, music 14:00 Culture and Arts Magazine 14:30 Humour 15:05 Magic Moments 16:05 Songs and Homework 17:05 Economics Magazine 18:05 Free Period - education magazine 18:45 Today in Sport 19:05 Today - radio newsline 19:35 Law and Justice 20:05 Centennial Hit Parade 22:05 Jazz Corner 23:05 Night Games

ARMY
6:05 University on the Air 6:30 Open Your Eyes - songs, information 7:07 "707" 8:00 Good Morning Israel 9:05 in the Morning 10:05 Coffee Break 11:05 Night Now 13:05 News Place in the Centre 15:05 The Magical Mystery Tour (repost) 16:05 Four in the Afternoon 17:00 Evening Newsline 18:05 Interview with Defence Ministry Director General, Aluf (Res.) David Iry 20:05 Classical Music Magazine 21:00 Mabat - TV newsline 21:30 University on the Air (repost) 22:05 Popular songs 23:05 The 24th Hour 00:05 Night Birds - songs, chat

ARMY TWO
19:05 Radio Radio 20:05 Information, regards and radio games 22:05 Popular songs 23:05 All That Jazz

DAILY ENGLISH BROADCASTS
ISRAELI RADIO
on 576 and 1458 kilohertz
07:00 7:15 News and Press Review
13:00-13:30 News followed by:
SUNDAY - "This Land" travel magazine
MONDAY - "Mainstream" consumer and community affairs
TUESDAY - "Israel Mosaic" weekly magazine
WEDNESDAY - "With me in the studio" guest interview
THURSDAY - "Studio Three" arts magazine
FRIDAY - "Thank Goodness It's Friday"
SATURDAY - "Spotlight" people and issues in the news
17:00-17:05 News
20:00-20:15 News

CINEMA PERFORMANCES

JERUSALEM
Belt Agony: Aladdin 4:30; The Gods Must Be Crazy 6; Monty Python, Meaning of Life 7:45; Last Tango in Paris 9:45; Cinema-quest: The Promised Land 7; The Brothers Karamazov 7 (small hall); The Grapes of Wrath 8:30 (small hall); Brutal, Spoken a Cattiv 10; Edna: Las Fugitives 4:30, 7:30, 9:30; Edna: Over the Top 4:30, 7:30, 9:30; Madine: My Life as a Dog 7:30, 9:30; Jerusalem: The Name of the Rose 4:30, 7:30, 9:30; Children of a Lesser God 7:15, 9:30; Orgill: Crime of the Heart 4:30, 7:15, 9:30; Orion Or 11: No Mercy 4:30, 7:15, 9:30; Orion Or 8: Betty Blue 4:30, 6:45, 8:30; Broadway on the Road 11:15 p.m.; Orion Or 4: Little Shop of Horrors 4:30, 7:15, 9:15; Sex film 11:15 p.m.; Orion Or 8: Crocodile Dundee 4:30, 7:15, 9:15; American Pie 11:15 p.m.; Orion: Police Academy IV 4:30, 7:15, 9:15; Orion: Police Academy IV 4:30, 7:15, 9:15; Orion: Round Midnight 4:30, 7:15, 9:15; Orion: Year of the Dragon 7:15, 9:15.

TEL AVIV
Belt Agony: Koyanigatsa 11:15 p.m.; Ben Yehuda: Critical Condition 5, 7:15, 9:30; Orion 11: Police Academy IV 5:30, 7:55, 9:55; Orion 2: Little Shop of Horrors 6:30, 7:45, 9:50; Orion 3: Stand By Me 5:40, 7:50, 9:50; Orion 4: Tin Men 11, 2, 5:25, 7:45, 9:55; Orion 5: Cinema Quest: Heat 5, 7:15, 9:30; Cinema Quest: Hannah and Her Sisters 7:15, 9:30; Orion 6: Crocodile Dundee 7:15, 9:30; Orion 7: 1st Les Fugitives 11, 1:30, 5, 7:30, 9:50; Orion 8: Descent 11, 1:30, 5, 7:30, 9:50; Orion 9: Descent of the American Empire 11, 1:30, 5, 7:30, 9:50; Orion 10: A Room With a View 7:30, 9:50; Orion 11: A Room With a View 7:30, 9:50; Orion 12: Midnight: Esther: Club Paradise 5, 7:30, 9:45; Orion 13: That's Life 5, 7:30, 9:45; Orion 14: Escort Girl (Half-Moon Street) 5, 7:30, 9:45; Orion 15: Escort Girl: Red Kiss 5, 7:30, 9:45 (exc. Wed.); Orion 16: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 17: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 18: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 19: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 20: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 21: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 22: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 23: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 24: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 25: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 26: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 27: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 28: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 29: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 30: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 31: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 32: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 33: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 34: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 35: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 36: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 37: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 38: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 39: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 40: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 41: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 42: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 43: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 44: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 45: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 46: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 47: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 48: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 49: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 50: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 51: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 52: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 53: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 54: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 55: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 56: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 57: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 58: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 59: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 60: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 61: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 62: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 63: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 64: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 65: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 66: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 67: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 68: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 69: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 70: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 71: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 72: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 73: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 74: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 75: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 76: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 77: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 78: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 79: Escort Girl: Red Kiss 5, 7:30, 9:45; Orion 80: Escort Girl: Red

Copyright © 1987 The New York Times



Private Warriors

Fawn Hall consulting with her lawyer, Plato Cacheris, at Congressional hearings on the Iran-contra affair last week.

Hearings Detail a Policy Improvised by Outsiders

By DAVID E. ROSENBAUM

WASHINGTON — LAST October, Albert Hakim, a businessman born in Iran and now an American citizen, met a delegation of Iranians in a hotel in Frankfurt, West Germany, and cut a deal on behalf of the United States Government to swap missiles for one or two American hostages.

In the negotiations, Mr. Hakim made a series of promises beyond the outer limits of American foreign policy. The United States, he promised, would go to war with the Soviet Union if the Russians invaded Iran, would depose President Saddam Hussein of Iraq and would press for the release of Moslem terrorists in prison in Kuwait.

Mr. Hakim stood to make millions of dollars in commissions from this deal. He reported the agreement to his business partner, Maj. Gen. Richard V. Secord, who had retired from the Air Force in 1984 under an ethical cloud. Neither man had a security clearance. But they communicated what Mr. Hakim had done to the White House in secret code, using a highly classified encryption device they had been given by Lieut. Col. Oliver L. North. Mr. Hakim and General Secord had gained the confidence of the Iranians some months before by taking them, courtesy of Colonel North, on a private tour of the White House that included the Situation Room, where the most secret military planning takes place.

These incidents are among several examples of what has come to be called the "privatization" of American foreign policy. Senators and representatives holding hearings on the Iran-contra affair have been told operational details of how, in the words of Representative Lee H. Hamilton, "an elaborate private network was set up to carry out the foreign policy of the United States." The network involved not only private citizens trading arms for hostages with Iranians, but also Reagan Administration officials coaxing allies and wealthy Americans to give money to the Contras fighting the Sandinista Government of Nicaragua after Congress cut off official assistance to them.

More than any other element of the inquiry, testimony about the placement of foreign policy in private hands has raised the legislators' ire.

The first stage of the Congressional investigation came to an end last week with Fawn Hall, Colonel North's secretary, recounting how she helped him alter, shred and smuggle out classified documents as a way, she said, of "protecting the initiative."

Summing up as the hearings went into a two-week recess, Mr. Hamilton declared, "Privatization of foreign policy is a prescription for confusion and failure." Mr. Hamilton, the Indiana Democrat who heads the House panel, continued: "The advancement of American national interest depends on the full use of the many resources of the United States Government. We are ill-served when it is otherwise. The use of private parties to carry out the high purposes of government makes us the subject of puzzlement and ridicule."

Senator Daniel K. Inouye, the Hawaii Democrat who heads the Senate committee, agreed. He called the policy "sad," "stranger than fiction" and "just unbelievable."

The lack of accountability inherent in such schemes, the lawmakers said, invites profiteering and leads to uncertainty about the true nature and direction of American foreign policy.

Private American citizens have been employed on sensitive diplomatic missions since George Washington sent personal emissaries to negotiate with Britain, Spain and Portugal in 1791. "We shall stand less committed," Washington wrote at the time, with negotiations by "a private rather than a public person."

More recently, President Johnson asked Cyrus R. Vance, then in private law practice in New York, to be his special representative in 1967 to mediate the dispute over Cyprus between Greece and Turkey.

Going Through Channels

Those missions were public. Often, however, private citizens have operated for the Government under cover. The Central Intelligence Agency regularly employs private contractors. In recent years, the State Department has used private intermediaries with the Palestine Liberation Organization, the Government having promised Israel not to deal officially with the P.L.O.

But diplomatic historians said that in every case they could think of, the private Americans representing the Government took their orders from, and reported through, official channels.

That was not the case with Mr. Hakim, General Secord and many others who have told their stories over the last six weeks at the Congressional hearings. The witnesses "had no doubt," said Representative Hamilton, that "they were acting on the authority of the President of the United States." But even President Reagan's strongest critics do not believe they really had such authority for everything they did.

The extent of Mr. Reagan's knowledge of

what was being done in his name may never be determined for sure, and it certainly will not be resolved before Colonel North and Rear Adm. John M. Poindexter, Mr. Reagan's former national security adviser, testify next month.

But it is highly unlikely the President knew about, much less authorized, the commitment to depose the President of Iraq, the 50 percent mark-ups charged the Nicaraguan rebels for weapons, the Iranians' peek at the White House Situation Room — Senator Inouye said indignantly, "I doubt if three of us on this panel have ever seen the Situation Room, it is considered so secret" — or the more than \$8 million in profits from the Iran arms sales, now in Swiss bank accounts controlled by Mr. Hakim and General Secord.

Reagan's Role

The President did, however, authorize the solicitation of private contributions for the Contras. He even discussed the matter with King Fahd of Saudi Arabia, who ended up giving more than \$30 million. And he made a point of meeting with and thanking wealthy Americans who had donated to the Contras out of their own pockets.

William B. O'Boyle, an oil executive who gave \$130,000, told the panels of an enticement held out by Carl R. Channell, a fund-raiser for Colonel North who recently pleaded guilty to conspiring to defraud the Government. "He said that if one were to give approximately \$300,000 or more, the President would actually meet with the contributor and thank him personally... for the contribution he was making to the national security."

Apparently, what the President and other officials did in this area was legal; at one point Congress explicitly permitted solicitation of contra aid from other countries. But it left the lawmakers and even some of the witnesses uneasy. Elliott Abrams, the Assistant Secretary of State who conducted one of the solicitations, told the investigators he found it "shameful for the United States to go around rattling a tin cup." Mr. Abrams, who misled — some would say, lied to — Congress when he was asked about the solicitation last year, justified it on the ground that "the Contras were starving." But he conceded that the donors would not have contributed if they had not expected something in return.

A few of the Republicans on the investigative committees also sought to defend the private operations with the argument that the end justified the means. Representative Henry J. Hyde of Illinois, for one, asserted that while "those means are wrong and bad and blameworthy," they were acceptable because "the Nicaraguan resistance survived."

But the dominant view was expressed by Representative Hamilton in his summation last week of the hearings thus far. The committees, he said, had heard a "depressing story" about "remarkable confusion in the processes of government."

"The question now," he said, "is how can we prevent it from happening again?"



Richard V. Secord



Robert W. Owen



Joseph Coors



John K. Singlaub



Lewis A. Tambs



Albert Hakim

Iran-Contra Affair: Accounts of Guns, Money and Promises

Testimony before the Congressional Iran-contra panels over the last six weeks has produced a picture of an American foreign policy initiative largely in private hands. Here are some excerpts.

May 7

Representative Louis Stokes: "... aren't we, in effect, accepting the fact that the United States Government contracted out its foreign policy to you, subject to you carrying out their best wishes?"

Maj. Gen. Richard V. Secord, the retired Air Force officer who organized arms sales to Iran and the contra supply operation: "I don't think they viewed it that way, sir. I think that they viewed me as a... logistics operator and commercial go-between...."

May 18

Robert W. Owen, a former aide to Senator Dan Quayle, Republican of Indiana, and a courier for Colonel North whose business card was found in the wreckage of a downed contra supply plane in Nicaragua: "I was a private citizen who believed in what I was doing. I thought I was doing it, certainly, under the auspices of the United States Government, but I was still a private citizen."

May 21

Joseph Coors, vice chairman and director of the Adolph Coors Co. brewery, telling why he deposited \$85,000 in a Swiss bank account set up by Lieut. Col. Oliver L. North to aid the Contras: Colonel North "... was very anxious to provide me with an area where he thought I could be of most help.... That was in the area of providing a small Maule airplane."

May 28

Lewis A. Tambs, former Ambassador to Costa Rica, describing his reaction to the news that John K. Singlaub, a retired major general, had promised a contra leader that the United States would provide food, arms and advisers: "... I said, 'You cannot negotiate for the United States Government.' He said, 'That does not mean the United States Government.' He said, 'That means we private United Statesians.'"

June 4

Arthur L. Liman, chief Senate counsel, referring to an arms-for-hostages deal with Iran: "When you were told that this agreement that you had negotiated had been approved by the President of the United States, you must have felt very proud."

Albert Hakim, General Secord's business partner: "I felt proud throughout, sir. I felt proud being part of the team."

Mr. Liman: "Did you feel like you had been the Secretary of State for a day?"

Mr. Hakim: "I would not accept that position for any money in the world, sir."

Mr. Liman: "Well, you had it better than the Secretary of State in some sense. You didn't have to get confirmed, correct?"

Mr. Hakim: "I still believe that I have it better than the Secretary. I can achieve more, too."

Mr. Liman: "And if this, if this initiative had succeeded, did you ever make any calculation as to how much you and General Secord would make?"

Mr. Hakim: "In what period of time, sir?"

Mr. Liman: "People tend to think in terms of three- or five-year plans."

Mr. Hakim: "Many millions."

June 5

Senator Daniel K. Inouye, Democrat of Hawaii and chairman of the Senate panel: "... It just saddens me to be told that as a United States Senator, I may not be privy to certain information, but... Mr. Hakim can be made privy to all our secrets."

June 9

Fawn Hall, Colonel North's secretary, describing her feelings about being asked to alter documents: "... I felt uneasy, but... I believed in Colonel North, and there was a very solid and very valid reason that he must have been doing this. And sometimes you have to go above the written law, I believe."

The New York Times/Joe R. Lopez, George Tamm; Associated Press; Agence France-Press

Victor Glides In on Wings of Middle-Class Prosperity

British Voters Fashion a Virtual Coronet for Thatcher

By FRANCIS X. CLINES

LONDON — It turned out the voters, if not the gods, must have heard her the first time when, in a moment of what one commentator called "casually megalomaniacal" candor, Margaret Thatcher confessed she hoped to go "on and on" toward a fourth and fifth term as Prime Minister, rounding the century with the momentum of Queen Victoria.

Her embarrassed handlers quickly stowed such talk away, but on election eve she did it again, warning voters "the fundamental temple of freedom would collapse about us" if she were not retained at Downing Street.

The voters retained her royally, closing out what was termed the nastiest election campaign of postwar Britain and fashioning a virtual coronet in awarding her a rare third term that sets her toward a record length for modern incumbency.

Seldom has such a decisive victor prevailed amid such a divided electorate and then had to face such a bittersweet constituency in governance. The grafting of American TV huckstering onto the campaign only lent a quality of mirage, of surreal vista on the sunken land and its sadly divisive passions, on the zeal with which Labor's embattled North peered far to the South and saw only Tory greed ensconced, on the apparent indifference with which Conservatives glanced from the ramparts of middle-class prosperity toward the jobless, demoralized



Margaret Thatcher

North as if at some barely disquieting memory.

"What we have witnessed is an even greater abyss and division," said Neil Kinnock, hoarse and soundly beaten as the leader of the Labor party, perhaps the one Briton who now knows best the iron strength of Mrs. Thatcher. She was ebulliently facing five additional years, ready for the next phase of the capitalist revolution of Thatcherism. This includes a likely social reform program, of as yet unclear dimensions, reaching into such bedrock institutions as the schools, housing, and possibly even medical care, with her incumbency haunted as ever by the specter of a large permanent underclass of people without work.

The thrashing of the Labor party and its scrappy but overmatched champion, Mr. Kinnock, was stark. For he had finally restored a surprising semblance of order, even electoral sickness, to his fractious, often self-devouring party — only to see it dashed upon the rock-hard 42.3 percent Thatcher vote, virtually the same as it was in the 1983 election. Labor received 30.8 percent, an improvement of more than 3 points; The Alliance of the Social Democrats and the Liberals received 22.8 percent, a loss of more than two points. Of the 650 seats in Parliament, the Tories won 375, a loss of 22 from 1983; Labor won 229, an increase of 20, the Alliance 22, a loss of 1. The Thatcher majority slipped to 101 from 137, but it was still unshakable.

Mr. Kinnock won the wrong election, beating down the third-place Alliance parties. He lost, though running

on strong issues, such as an unemployment problem that worsened in Mrs. Thatcher's eight years from 1.1 million to 3 million.

"Britain is great again," was Mrs. Thatcher's message, an echo in her familiar aspirated tone of sincerity of the Reaganite theme of 1984: "It's morning again in America." The vote showed the prosperous southern tier of the country responding in grateful strength for her. But the Tories were drubbed in Scotland and Wales, where it's still night-dark with economic depression. Many voters showed they still suspect that the Labor Party can view politics only as an "anvil of millennialism" and not compromise.

As the party's moralistic leftist factions survived for future in-fighting, voters still doubt that Mr. Kinnock, even with the middle ground now beckoning through the defeat of the Alliance, will be able to push his party further centerward.

From this campaign, he will be remembered as the happy warrior of arms control, wearing the albatross of his proposal for unilateral nuclear disarmament. Mrs. Thatcher exploited the issue of nuclear "surrender" brilliantly by restaging the Battle of Britain in her rhetoric, even posing by an old Spitfire fighter plane, and so often invoking the vigilance of "Winston," as if the long dead Churchill were her familiar, that some people half expected her to break into Vera Lynn's "There'll be bluebirds over the white cliffs of Dover." Mr. Kinnock accused the Thatcher Government of employing "lies, cover-ups, arm twisting, toady-

ing, back-stabbing and dirty dealing."

The Prime Minister, a politician not known to apologize, was defending herself from the accusation of being "heartless" toward the have-nots. She turned on her accusers as politicians who "drool and drive!" about caring for humanity but ignore the Tory generosity in social programs. But then she instantly amended: "I'm sorry I used those words."

The moment might have revealed her own sensitivity to what even some supporters say could be the underlying problem of her new term, the growth of "bourgeois triumphalism" as it is being called — the rise of a supposedly selfish, acquisitive class, of the new elite of finance capitalism who have helped bolster the Thatcherite recovery. "Anyone who has heard yuppies at play or at table — and who can have failed to have done so, given the trumpet volume of their braying voices? — will know what I mean," wrote Peregrine Worsthorne, a Thatcher devotee, in the Sunday Telegraph.

The criticism is that these latest victors in Britain's endless class warfare exhibit little sense of social obligation and that their leader, Mrs. Thatcher, had better show them the way in this fresh start or risk leaving office with national division itself as her legacy.

Once victory was certain, the Prime Minister promised Kipling's "humble and contrite heart" in her renewal, and she indeed talked more humbly about a fourth or fifth term. "You never know," she said. "I might be here, I might be swaging a harp."

The Summit:
The talk is
loud but the
stick is small

2

The World

Marines Drop Spy Charge in Moscow Embassy Case

Many Americans were stunned earlier this year by stories of young Marine guards at the United States Embassy in Moscow who confessed to fraternizing with women who were spies and ended up letting Soviet agents into some of the most sensitive parts of the compound. But last week the Marine Corps issued a confession of its own. The corps said it could not prove its espionage case against Cpl. Arnold Bracy, a 21-year-old former Marine guard at the American Embassy in Moscow and was dropping the charges against him. Corporal Bracy said he had been coerced into confessing that he had let Soviet agents into the embassy last year.

Similar charges were dismissed last month against Sgt. Clayton J. Lonetree, 25 years old, another Marine guard. But Sergeant Lonetree still faces a court-martial on allegations that he provided Soviet agents with secrets, including embassy blueprints and names of American intelligence agents.

Corporal Bracy's lawyer, Lieut. Col. Mike Powell, contended last week that naval investigators had used lie-detector tests in "an intentionally deceptive" manner. The Marine Corps denied this. Corporal Bracy also denied that he had had sexual relations with a Russian woman linked to the K.G.B., the Soviet intelligence agency.

Sergeant Lonetree, however, has confessed that he had had an affair with a Soviet woman who worked as a secretary at the embassy. That set off the spying investigation.

'Bugs' Admired

Expressing collegial admiration for Soviet "tradercraft," James R. Schlesinger, a former Director of Central Intelligence, said that it would take years and "many tens of millions of dollars" to come up with a bug-free United States Embassy in Moscow. Discussing his findings last week after 10 days of talks with American and Soviet officials there, he said the Russians had exploited a new and "higher plateau of technology" in eavesdropping devices.

The bugs, which eluded American X-ray detectors, were embedded in prefabricated beams and pillars, honeycombing offices in the new \$180 million embassy complex. Mr. Schlesinger said security experts were still in the dark as to how the devices operate. If they can be neutralized and whether they all have been discovered. Other officials suggested that new and more-secure floors might be added to the nearly completed eight-story building. But Mr. Schlesinger said that even if the Russians cooperate, it would take at least two and a half years to overcome the damage.

Without Soviet cooperation, he said, the offices may not be useable for decades. Why should the Russians cooperate? Under a 1971 treaty, until the Americans agree to move in, the new Soviet Embassy overlooking northwest Washington will also remain empty.

In Poland, Pope Praises Solidarity

Pope John Paul II surprised the authorities and delighted many of his countrymen last week by extolling pluralism, free association and human rights in Poland. On his third visit to his homeland as Pope, he mixed Gospel citations with references to the outlawed Solidarity movement, met privately with Lech Walesa, the movement's founder, and visited a Solidarity monument to 40 shipyard workers killed by soldiers in the 1970 food riots.

Thousands of police officers cordoned off 20 blocks in Gdansk to keep the public and press away from the Pope laid a wreath at the shipyard memorial in the Baltic port city. The 1980 accord that established the free trade union were historic and yet to be fulfilled, John Paul said.

At Tarnow, near Cracow, he beatified an 18-year-old Polish farm girl



Pope John Paul II with Gen. Wojciech Jaruzelski in Warsaw.

killed by a Russian soldier in 1918. Addressing a crowd estimated at two million, he said other Government agreements with private farmers organized in Rural Solidarity "should be fully realized."

But John Paul did not admonish the Government leader, Gen. Wojciech Jaruzelski, as he had in 1983, when martial law was still in force. Since then, General Jaruzelski told the Pope, "the turbulent waves have subsided." Later, however, the authorities seemed less confident. They said 3,000 people had clashed briefly with the police after attending a papal mass in Cracow.

Panama Charges Touch Off Rioting

Col. Roberto Diaz Herrera, a self-described sinner and until recently the No. 2 man in the Panama Defense Forces, said fear that God would punish him if he remained silent had led him to accuse the No. 1 man, Gen. Manuel Antonio Noriega, of complicity in murder and electoral fraud. Colonel Diaz's statements touched off a week of political violence that paralyzed Panama City, the capital. The Government suspended many civil and political rights and censored the news.

Holed up with his family and representatives of the Roman Catholic Church in his luxurious walled villa paid for, he said, with bribes extracted from Cubans seeking Panamanian visas, Colonel Diaz called on General Noriega to join him in confessing. "Our war is psychic, mystical and religious," Colonel Diaz said.

The general has shaken off previous allegations that he was involved in drug smuggling, money laundering and spying for Cuba. This time, Colonel Diaz accused him of fixing the country's 1984 presidential election and of responsibility for planting a bomb in a helicopter that, the colonel said, caused the 1981 death of the then-strongman, Brig. Gen. Omar Torrijos Herrera. General Noriega again denied the accusations.

New Military Help For Angola Rebels

Jonas Savimbi, the Angolan rebel leader who has been fighting a guerrilla war against the Government for 12 years, will continue to receive military aid from the United States, Government officials said in Washington last week.

The Reagan Administration said to have informed Congress of its decision to provide a package of at least \$15 million in military equipment to Mr. Savimbi's pro-Western forces, called Unita, in their fight against the Marxist Government, which has the help of 35,000 Cuban troops. The aid will include Stinger anti-aircraft missiles.

Although the Reagan Administration is arming the rebels, the State Department has been trying to improve relations with the Government in Luanda. Administration officials argue that helping the rebels will persuade the Government to send the Cubans home, but Angolan officials say it will have the opposite effect.

Four days before Washington's plans for more aid were disclosed, Mr. Savimbi visited white-ruled South Africa to express support for President P. W. Botha and to rebuke black leaders who refused to negotiate with him.

Parliament Acts To Bar Kahane

Rabbi Meir Kahane, the militant Israeli conservative who was born in the United States, has fought to keep his American citizenship while serving as a member of the Israeli Parliament. In 1985, the State Department deprived him of his American citizenship because of his membership in a foreign parliament, but a Federal Court gave him back his passport.

Last week, the Parliament in Jerusalem moved to exclude him from its activities when he refused to accept a pledge of allegiance to Israel and his parliamentary duties.

Meanwhile, an American professor was convicted in an Israeli military court for disturbing the peace by taking part in an unauthorized Arab demonstration on the Israeli-occupied West Bank. Roger L. Heacock, a 45-year-old professor of European history at Bir Zeit University, in Ramallah, 15 miles north of Jerusalem, was given a two-month suspended sentence, fined \$950 and put on probation for three years. He has been a vocal supporter of Palestinian nationalism at the university.

Also, after months of political quarreling between Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres, Israel appeared to have decided on a new ambassador to the United States: Rumanian-born Moshe Arad, 52, who has been the envoy to Mexico.

Milt Freudenheim and James F. Clarity

Europeans Find Reagan Distracted and Passive in Venice



Summit Does No Harm And Very Little Business

By JAMES M. MARKHAM

PERHAPS it was the unlucky number, but the 13th meeting of leaders of the seven major industrial democracies last week will probably go down in history as one of the least consequential since Valéry Giscard d'Estaing and Helmut Schmidt first came up with the idea of the annual get-togethers. The world economy is not quite in the parlous state it was in 1975, when the French President and West German Chancellor urged concerted action to deal with the dramatic rise in Middle East oil prices. But it is shaky enough, and the generalities and palliatives proffered in Venice, officials privately concurred, will probably change little.

For President Reagan, Venice was to have been a glittering, telegenic stage on which to demonstrate his leadership of the free world and check the erosion of his authority in Washington. But Mr. Reagan often came across as an amiable and important gentleman taking a protracted and somewhat lonely Italian holiday — his importance demonstrated by an imperial phalanx of security deployed on, over and around Venice's lagoons. While Chancellor Helmut Kohl of West Germany and President Francois Mitterrand of France strolled through one of the world's most beautiful cities, Mr. Reagan, who had never been here before, did not set foot in the

Piazza San Marco. The Europeans found him distracted and passive, reaching frequently for his little note cards for guidance. At a news conference, he suggested that the dollar might sink further, a gaffe that aides rushed to rectify.

On Friday at the wall in West Berlin, Mr. Reagan projected a more forceful image. "Mr. Gorbachev," he said in a rhetorical appeal to the Soviet leader, "open this gate! Mr. Gorbachev, tear down this wall!" On three previous nights in East Berlin, rampaging East German youths, angry at being prevented from hearing British rock groups playing just across the ugly barrier, had shouted the same demand, "The Wall Must Go!" and had invoked the name of Mikhail S. Gorbachev while sparring with the police. But on Thursday night in West Berlin, ultra-leftists violently protested not the Communist-built wall, but the American President's presence.

In Venice, where the Americans had arrived making clear they were seeking allied support for a bellicose-sounding course in the Persian Gulf, they seemed in the end to be talking loudly and carrying a rather small stick. Senior White House officials warned Iran that American planes might take out its Chinese-made Silkworm missiles if they were made operational in the Strait of Hormuz. The Administration also wanted the seven to endorse a ban by the United Nations Security Council on arms sales to Iran and Iraq, if the two combatants refused to negotiate a cease-fire. As Iraq has repeatedly ex-

pressed its willingness to stop the conflict, the onus would fall on Iran. But the Europeans, keen on keeping open lines of communication to Iran and fearful of East-West confrontation in the gulf, watered down the White House language. An "enforceable" Security Council resolution became "a just and effective one." At a news conference, Secretary of State George P. Shultz argued testily that "effective" meant what he said it meant — "enforceable." The President called it "a case in semantics." Apparently seeking to cool anxieties, Mr. Reagan acknowledged that the Soviet Union had a stake in "peaceful shipping" in the gulf but he rejected the idea that the two superpowers should act as joint trustees there.

Embarrassing Reminder

On the economic front, in view of political uncertainties or weaknesses in all seven countries, no one really leaned on anyone else in Venice. Reacting to Japan's program to stimulate domestic consumption, the United States partially lifted economic sanctions imposed on Japan, which had been accused of dumping semiconductors at below-cost prices on the world market. But expectations that the Americans might pressure the West Germans to pump-prime their economy came to nothing. Mr. Kohl, seconded by Mr. Mitterrand, insisted that the vast American budget deficit is the world economy's core problem. The moral in Venice seemed to be that until Americans stop living beyond their means, their leaders will be hard put to give economics lessons to others.

The leaders also reaffirmed their intention to coordinate antiterrorist efforts but they delicately refrained from repeating their promise at Tokyo last year of a "refusal to export arms to states which sponsor or support terrorism." The Americans shied from what seemed an embarrassing reminder of the Reagan Administration's clandestine arms sales to Iran.

The seven also expressed their concern about the AIDS epidemic, solemnly placing the subject at the top of the world's agenda. But they merely "welcomed" Mr. Mitterrand's proposal for an international committee on ethical issues raised by AIDS. He was known to be troubled by the growing tendency in the United States, Japan and West Germany toward mandatory testing for indications of the disease.

As for Mr. Reagan's arms-control strategy, White House officials had hoped for a thumping declaration of support but had to settle for more opaque, committee-drafted language. The topic was more seriously treated later by the NATO foreign ministers in Reykjavik. They endorsed a modified version of the Soviet proposal to abolish both medium- and shorter-range missiles. Also on the Icelandic capital, France and the United States seemed to bridge differences on how to deal with East-West negotiations on reducing conventional arms.

The Venice experience again raised the question of whether such meetings are worth the effort entailed in bringing the seven leaders together. Before departing, Mr. Mitterrand voiced his misgivings about these annual media spectacles. But others contended that it does no harm for the leaders to get a sense of what is on one another's minds, to take measure of respective strengths and, as seemed to be the case in Venice, weaknesses. Britain's Foreign Secretary, Sir Geoffrey Howe, summed up this sentiment, asserting the gatherings were, after all, a useful exercise in "international group therapy."

New Law Promises to Be Key Election Issue

New Zealand's Nuclear Aversion

By CHARLOTTE EVANS

WELLINGTON, New Zealand — NEW Zealand's ban on nuclear arms and nuclear-powered ships is now a matter of law, not just Government policy, and the issue is certain to be a major one in national elections expected in the next few months.

The ban, which has strained relations between Wellington and Washington, became law by a 39-to-29 vote of Parliament 10 days ago, codifying the policy that has been in effect since Prime Minister David Lange's Labor Government was elected three years ago on a pledge to make New Zealand nuclear-free.

The legal ban is an important symbol for anti-nuclear militants here, who see it as an example for the world. And although the economy will certainly be the overriding election issue, the jubilation of antinuclear activists was tempered by the knowledge that a victory by the opposition National Party over Labor in the elections would almost certainly mean repeal of the new law.

The leader of the National Party, Jim Bolger, called passage of the law "an exercise in futility" and said it did not make any contribution to arms control and did not guarantee that New Zealand would be immune from nuclear weapons.

Further, he said, it pushed aside the views of the many New Zealanders who are disturbed by the country's status in ANZUS, the mutual defense alliance with Australia and the United States. Because of the nuclear-weapons dispute, the United States has said it no longer feels obliged to come to New Zealand's aid.

But while the ban has provoked official trouble between the United States and New Zealand, it has not resulted in anti-Americanism. Indeed, an American living outside the diplomatic community here might never hear of the nuclear issue at all, in contrast to the daily ribbing Americans took from New Zealanders when their boats were doing well early in the America's Cup races.

The official American view of the dispute was reflected recently by the commander in chief of the United States Pacific Fleet, Adm. James Lyons, who said, "I would find it very difficult to ask men and women of the fleet to fight for a country which won't even let us visit in peacetime."



Prime Minister David Lange

While the Labor Government of Prime Minister Lange is adhering to its no-nuclear-ships policy, it does not check what kind of weapons may be aboard American planes that are allowed in and out of a base at Christchurch that is involved in an Antarctic research program called "Operation Deep Freeze." That American program is worth about \$10 million a year to New Zealand.

Whatever their view of American nuclear power and ships, New Zealanders acknowledge that America has immense influence on their daily lives, and talk about the United States is more likely to be about its television programs, movies and books than about the atomic issue.

New Zealand has two television channels, and its programming includes "The Bill Cosby Show," "The Wonderful World of Walt Disney," "M*A*S*H," and "Dallas." All the big American movies come here, and local stage companies produce such Broadway plays as "Children of a Lesser God" and "I'm Not Rappaport."

A Wellington-based company has just completed the casting for "Are You Lonesome Tonight?" which is billed as a tribute to Elvis Presley. Interviews with visiting American celebrities are given prominent display here.

Making it, to many New Zealanders, means making it in America. Bob Jones, a financier, won headlines not long ago when he bought the building at 44 Wall Street. So did Neil Finn, who became the first Kiwi, as New Zealanders call themselves, to have a song — "Don't Dream It's Over" — on the American top 10 pop music chart.

"American values are now an integral part of our culture," said Mattie Wall, a public relations consultant in Wellington, who returned to New Zealand last year after two years as vice consul in New York.

"All the changes in New Zealand in the last three years have moved us toward a greater Americanization in a loose sort of way," she said.

"There's an increase in competition, an increase in recognizing ambitions, impatience, speed, material wealth."

At the same, she said, her generation had inherited as a result of American participation in the Vietnam war, "an innate skepticism and cynicism about America's foreign policy motives and its capacity for being sensitive."

"I think they're a bloody marvelous people," said Bill Godfrey, president of the Ex-Vietnam Services Association, comprising veterans who fought in the Vietnam War. "One thing that's overlooked is that you can look anywhere in the world today and there are two big brothers. One is flying the hammer and sickle and the other is flying Old Glory. You take your choice."

An Ex-General Was Nominated as Successor During the Most Violent Riots in Years

Chun's Plan Fans Flames Of Dissent in South Korea

By CLYDE HABERMAN

AS Roh Tae Woo, the man almost certain to be South Korea's next President, was talking about his desire for political reconciliation at a news conference last week, members of his ruling party sat behind him, coughing and dabbing their eyes with handkerchiefs. Unexpectedly, they had taken in nasty gulps of tear-gas fumes that clung to the clothing of reporters and photographers.

There was mild irony in the discomfort of the ruling group, which was suffering what many of its fellow citizens had to endure during anti-Government turmoil in Seoul's streets. For days, riot policemen saturated the center of the city with potent gas trying to end demonstrations by student radicals committed to toppling the authoritarian Government.

Skirmishes between dissidents and the police were the most violent and prolonged street actions that this capital had seen in several years. And as the protests continued into the weekend, they threw a menacing shadow over what was to have been Mr. Roh's week of triumph. On Wednesday, 7,300 delegates at a convention held by his Democratic Justice Party acclaimed him as their presidential nominee at an electoral college expected to meet late this year. The convention was a pleasant show, but it was also window dressing. The only vote that counted had been cast a week earlier when President Chun Doo Hwan named Mr. Roh, his old friend and fellow ex-general, to succeed him next February.

The street clashes that immediately followed Mr. Roh's nomination showed the delicacy of his political situation as he prepared to become president. Not that the band of militant students seemed capable of attracting the broad popular support that is probably needed to upset the transition. But, as one foreign diplomat put it, "They can make it messy."

It was already messy enough for him. As a key player in Mr. Chun's bloody consolidation of power seven years ago, Mr. Roh faces the same challenges to his legitimacy that have dogged the incumbent President. One difficult task he must perform, as a result, is to carve a distinct political identity for himself quickly.

There are signs that Mr. Roh is trying. He struck temperate notes last week, calling on the main anti-Government party to join in a political dialogue, proposing (without specifics) fewer constraints on the press and on provincial governments, and saying he was willing to discuss the length of his term in office with opposition leaders. That was a gesture of willingness to resume, eventually, a debate abruptly ended by Mr. Chun on the essential issue: how to change the constitutional process for selecting the national leader.



Police wearing gas masks seize a demonstrator during anti-Government protests in the center of Seoul last week.

Pressure may mount for Mr. Roh to make real progress soon to convince Koreans that he is serious about a dialogue. A likely move would be for his party to advocate changing the electoral college rules to make them fairer; this could lure the opposition to participate in the process and make it seem more legitimate. But the opposition will probably stick to its boycott plans. Moreover, it is hard to imagine that any of Mr. Roh's pledges might change general attitudes about a Government widely described as unpopular. The ordinary man on the street may not be ready to join the student militants, but he probably does feel that democratic reforms are overdue.

Also, Mr. Roh cannot guarantee quick delivery on anything he proposes, for Mr. Chun says he intends to wield power up to the last minute next Feb. 25. While his heir apparent talked about democracy to party

delegates last week, President Chun barely mentioned the word in his own speech. It has long been plain that he considers his intention to leave office — the first South Korean leader prepared to do so voluntarily — as being of itself the most important step toward democracy this country has taken. Unlike Mr. Roh's remarks, the presidential emphasis was on dealing sternly with radicals, "no matter what sacrifice may be necessary."

A question is whether Mr. Roh will indeed be a substantive change from Mr. Chun. Moderate opposition leaders charge that the former soldiers are cut from the same olive drab cloth. Mr. Roh himself agrees he will pursue his predecessor's basic policies, with their overriding concern for national security, economic progress and limited political dissent. The major difference, experts say, may involve personal style, al-

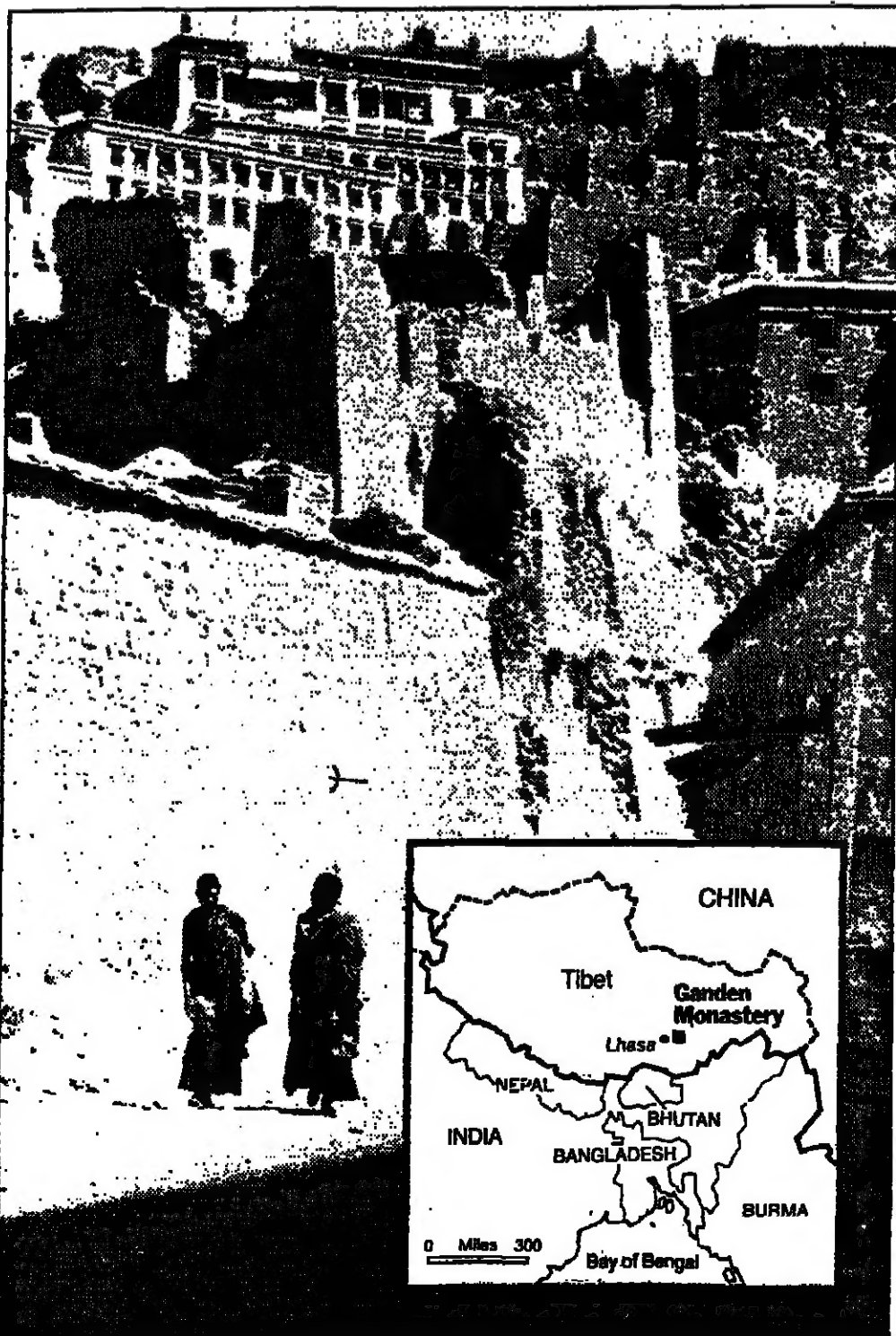
though that could ultimately prove important. Mr. Chun talks incessantly and doesn't listen, people who have spent time with him say. In contrast, Mr. Roh is said to have accepted the rough-and-tumble of party politics and is more willing to listen.

In the meantime, South Korea must deal with other pressures. The perceived threat from North Korea is likely to persist. An approaching Presidential election year could affect United States attitudes. There are also the mandates of keeping the economy going and of staging the Summer Olympics successfully in Seoul next year.

And, as always, there are the students. They are disciplined, committed and impervious to tear-gas barages. But they seem unlikely to be able to trigger massive unrest that could bring down the Government.

Monastery Is an Important Symbol, but China Still Holds the Upper Hand

Tibet's Buddhist Monks Endure to Rebuild a Part of the Past



Temples of the Gelukpas, ruined by Chinese invaders, in Ganden, Tibet; young Buddhist monks who live there.



By EDWARD A. GARGAN

THE brick shells of scores of buildings clinging to the steep mountain slopes here, 30 miles east of Lhasa, the Tibetan capital. Once the holiest monastery of the Gelukpa sect of Tibetan Buddhism, the temples were dynamited by the Chinese in the 1960's to extirpate religion from Tibet, both in retaliation for an armed uprising in 1959 and as part of the leftist hysteria of the Cultural Revolution. Today 300 monks are slowly rebuilding, determined to recreate the grandeur of the 15th-century monastery. In doing this, they are also erecting a monument to Tibetan resistance to Chinese rule.

"We are going to rebuild this monastery," said a gray-haired monk in a worn maroon robe. "We have to find sponsors. We have to find donations. It will take time, but we will find a way." He spoke hesitantly, warily. "The Chinese spy on us here," he said, leading a visitor into his chamber. "The army comes here. The Chinese guides spy on us. We have to be careful."

Sweet-smelling yak-butter lamps flickered

before a dark photograph of the Dalai Lama, the spiritual leader of Tibetan Buddhism and symbol of independence, who lives in exile in Dharamsala, India, about 900 miles to the west. Officially, Tibet is an autonomous region of China, with special tax benefits and a modicum of self-rule. In fact, Beijing maintains tight control.

Before the 1959 revolution, "there were more than 3,000 monks here," the old monk said. "When the Dalai Lama came to Ganden, there were often 5,000 monks here. After the revolution, the Chinese put the monks in prison. Some were sent to villages. A lot of monks were killed. Others didn't want to be monks any more and got married. Even today there are 300 monks still in prison, including 38 from Ganden."

"I ran away when the Chinese came," he continued. "I was afraid. All the statues of Buddha they sent to Beijing. They burned all the scriptures. All the scriptures we have now are new. There is nothing old."

There were 6,254 monasteries in independent Tibet when China invaded in 1951. All but a handful lie in ruins, dynamited, or destroyed by Tibetans who were forced at gunpoint to rip the buildings apart with their hands. The Chinese now dismiss the destruc-

tion of the 1960's and 1970's as "leftist excesses." But cognizant of Tibetan hostility, they have spent tens of millions of dollars on roads, water systems and electrification. A small proportion has gone to rehabilitate some of the more prominent monasteries, not coincidentally the ones most frequently seen by foreign tourists.

Still, Ganden has emerged as a singular example of Tibetan pride and determination. This is partly because of the destruction here, far worse than at monasteries in Lhasa, and partly because Ganden is being rebuilt with only scant assistance from Beijing. "People come here to make donations," the monk said. "They also give gold necklaces." He led the way through the rubble, reminiscing. "When I walked along here, there were so many monks. Many, many." He pointed to a ragged wall of bricks surrounding a pile of stone and broken rock. "There were lots of statues in there. Also the monks had their chambers there, six or seven in a group." Farther on, he pointed to a spacious square of cement. "This was a chanting hall where 5,000 monks could chant. We will rebuild this. Maybe next year we will begin."

Most Tibetan monasteries are strictly regulated by the Government's Bureau of Religious Affairs. "Before the revolution, before 1959," the old monk said, "anyone who wanted to come here to become a monk. Now it depends on the bureau to allow new students, maybe only 10 or 15 each year. The bureau gives permission for the monks to wear these robes," he added. "The bureau comes here to see if all the monks have permits. We ask for more monks but the bureau does not allow it."

The monastery exerts a lure on Tibetans, drawn by Buddhism and by determination to see Ganden rise from the rubble. "My monastery was destroyed, too," another monk said. "I heard that rebuilding began in 1981, so I came here. I was not a monk from Ganden. I'm just an old monk from eastern Tibet. When I went to Sera monastery and Drepung monastery, I saw there was still something there. Here, there was nothing. I wept."

Less than a dozen buildings have been rebuilt, some only partially. On a balcony of a new thick-walled, whitewashed building, young monks were painting baked white-clay images of the seated Buddha. Watching them, the old monk said there was some hope that the Chinese Government would gradually loosen the controls on Tibetan religious institutions, but only the faintest of hopes that China will ever give Tibet back its lost independence. "I don't know if it ever will happen," the old monk whispered. "Now, we just build."

The Nation

Reagan Officials To Extend Reach Of AIDS Testing

To the dismay of those who fear that any mandatory testing might be a precedent for civil-rights abuses, the Reagan Administration described last week the details of its plan to screen Federal prisoners and aspiring immigrants for evidence of infection with the AIDS virus. While the announcement had been expected, Attorney General Edwin Meese 3d alarmed some civil libertarians by suggesting that a positive AIDS test might be considered a possible ground for the denial of parole.

"One of the factors on which people leave prison on parole certainly has to do with whether they are a danger to the community," Mr. Meese said. But Alvin J. Bronstein, executive director of the National Prison Project of the American Civil Liberties Union, said it would be unconstitutional to keep someone in prison because of a medical condition.

Beginning immediately, prisoners will be tested when they enter and leave Federal prisons. In about a month, testing is expected to begin for potential immigrants and for illegal aliens seeking amnesty; those who test positive will either be barred from entering the United States or be denied legal residency if they are already here. However, illegal aliens will not be deported on the basis of positive test results because amnesty applications must be kept confidential.

Although the Reagan Administration has stopped short of proposing widespread mandatory screening, some critics say it is moving in that direction. Testing is already required in the military and Foreign Service and for applicants for certain programs run by the Job Corps. (Required testing of blood donors has been credited with virtually eliminating the problem of spreading AIDS through transfusions.)

Meanwhile, leaders at the seven-nation economic summit conference in Venice called for countries to cooperate in combating AIDS, but warned that the fight must be waged "in accordance with the principles of human rights."

U.S. Seeks Control Of the Teamsters

The International Brotherhood of Teamsters is so corrupt that the Government is preparing a lawsuit aimed at taking control of the union, the Justice Department said last week.

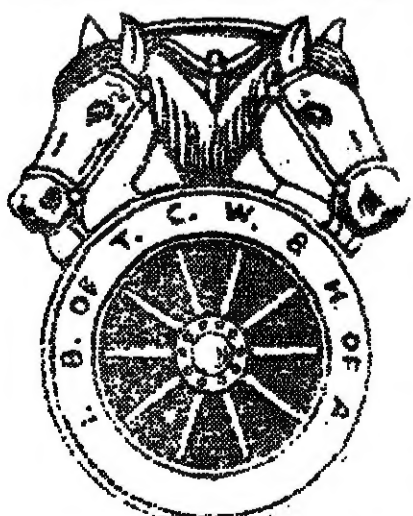
The action will mark the most ambitious use yet of Federal antitrust statutes, a strategy that investigators hope will root out what they say is the longstanding influence of organized crime in the nation's largest union.

The lawsuit is expected to call for the removal of the union's 21-member executive board, including the president, Jackie Presser. Mr. Presser is also facing trial in Cleveland on charges that he embezzled \$700,000 from the union to pay employees with Mafia connections who did no work.

The teamsters last week called the Federal action a "groundless attack" and "a calculated political ploy designed to take the pressure of numerous problems off the Reagan Administration."

The union, which has 1.7 million members, was the only big labor organization to support Mr. Reagan in his Presidential race; Mr. Presser was part of the Administration's transition team in 1980.

But relations soured last year when the President's Commission on Organized Crime accused the team-



sters' leaders of pension fund fraud and other corruption and the Justice Department said it would take action against the union. Earlier this year, the Government succeeded in placing a teamsters' local in Union City, N.J., under court supervision, its first such use of the civil antitrust-teering statutes.

Widening the Electronic Net

For 20 years the Federal Bureau of Investigation has kept a computer file — a kind of electronic bulletin

board for police agencies — on people with criminal records or outstanding arrest warrants. Now a Federal advisory committee has tentatively recommended that the system be expanded.

Under the proposals, which are not in final form, the National Crime Information Center would be able to track the movements of certain people who are suspects in crimes, but who have not been charged. It would also permit entries on people on probation or parole, people who are "a danger to law-enforcement officers," and people who are known or suspected "operatives of foreign governments." Finally, the committee suggested that the network tap into selected records of such agencies as the Internal Revenue Service and the Immigration and Naturalization Service.

The recommendations, adopted at a meeting in Seattle this month, will go to the Justice Department.

Previous proposals to enter information that is not a matter of public record have been protested by civil liberties groups as a threat to privacy. They contend that faulty entries are not uncommon, although the F.B.I. says the incidence of errors has declined. The system handles about 540,000 inquiries a day.

Representative Don Edwards, the California Democrat who is chairman of the House Judiciary Subcommittee on Civil and Constitutional Rights, said the latest plan was a "revolutionary change" that would disseminate "investigative information, much of it rumor and gossip, over a national computer system run by Big Brother in Washington."

Col. Carl R. Baker, deputy superintendent of the New York State Police and vice chairman of the panel, said, "If the technology is available, why not use it?"

A New Union For Controllers

Voicing the same complaints that led to a strike six years ago, the nation's air traffic controllers voted overwhelmingly last week to form a new union.

The controllers, who work for the Federal Aviation Administration, were the successors to the thousands who were fired by President Reagan when he broke the 1981 walkout and the original union, the Professional Air Traffic Controllers Organization, or Patco. At first, the morale of the new recruits was high, despite the heavy workload. But in the last few years, complaints about stress, overtime and poor equipment have grown louder as the skies have become more crowded. According to a recent count, 13,865 controllers are employed today, compared with 16,375 before the strike. The vote last week was more than 2 to 1 to accept the National Air Traffic Controllers Association as the new union.

Other union leaders hailed the formation of the association as a signal of labor's rebirth, just as the death of Patco was seen as a symbol of its decline. The controllers, however, promised never to strike.

The same day the vote was announced, the F.A.A. unveiled some changes that might ease the controllers' burden. In an effort to increase safety margins during the busy summer season, flights to and from some crowded airports, including Newark, are being spread out. The officials acknowledged that the changes are causing delays.

A New Push for Public Housing

Almost no new public housing has been built during the Reagan Administration and many existing programs have suffered cutbacks. But pressure is rising in Congress to reverse that trend.

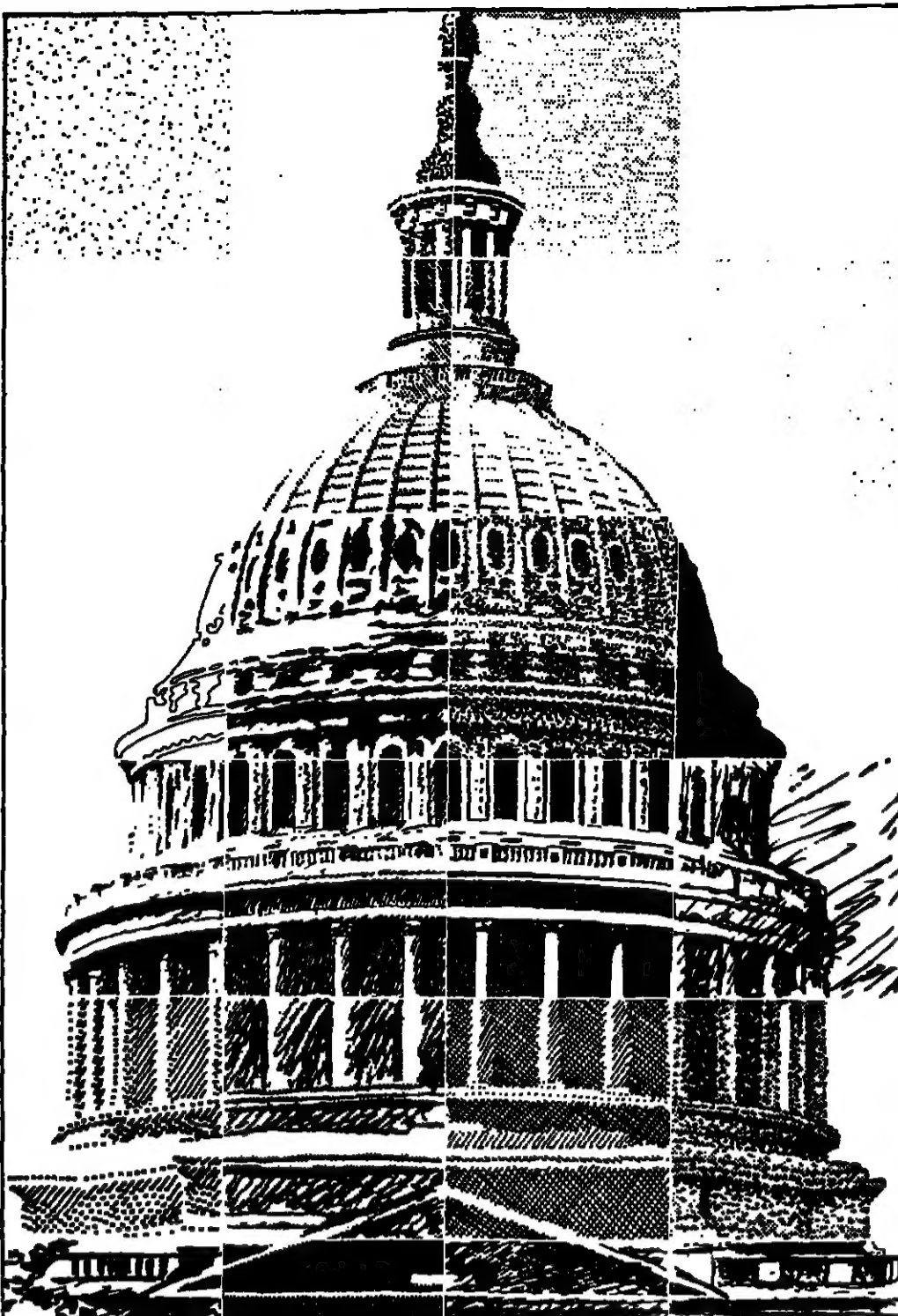
By a vote of 285 to 120, the House of Representatives last week approved a bill that would authorize up to \$15.8 billion to build 107,000 new units and continue to finance more than 50 additional programs, including Federal rent subsidies for low-income people and interest-free home loans in distressed areas. In April, the Senate overwhelmingly passed a similar housing bill that provides for \$38.3 billion over two years.

Lawmakers expect a conference committee to resolve the differences between the two measures, setting the stage for a confrontation with the White House. President Reagan has promised to veto any bill that preserves housing programs at current levels — \$13.3 billion for the 1987 fiscal year. He wants to reduce that amount to \$10.2 billion for next year.

Congress has not approved new housing programs since 1980 because of a deadlock between Republicans who sought to cut the existing assistance and Democrats who wanted to protect it. Instead, many of these programs have survived through limited spending authorizations attached to other legislation.

Martha A. Miles,
Katherine Roberts
and Caroline Rand Herron

Looking at the Reagan Record on Federalism



RATHER than a dusty civics lesson, federalism is an evolving principle that continues to influence the lives of all Americans strongly, if indirectly.

In 1788, James Madison wrote that while the proposed Constitution gave the Federal Government "few and defined" powers, the states' powers "will extend to all objects which, in the ordinary course of affairs, concern the lives, liberties, and proper-

ties of the people, and the internal order, improvement, and prosperity of the State."

That view of the respective powers of the states and the Federal Government had been in eclipse for 50 years until President Reagan took office. These articles examine the successes, some of them serendipitous, and the lapses of his Administration's commitment to limiting the powers at its own disposal.

With Federal Cuts, It's Each Locality for Itself

By JOHN HERBERS

WASHINGTON
STATES, cities and counties are feverishly competing to build up their own economies, using the remnants of the big Federal programs of the past as just one of their tools.

The idea of "levels of government" — with the Federal Government supreme, as it was for half a century — is fading, according to the Advisory Commission on Intergovernmental Relations, a nonpartisan research agency. What has emerged, said John Shannon, executive director of the federally financed agency, is a "lend-for-yourself" system.

This return to a more federalist system is central to the substantial changes in domestic government under the Reagan Administration — changes that may well be deeper and more permanent than generally acknowledged. At the same time, it is clear that much of the change has no direct connection to policies or leadership from Washington.

Rather, according to scholars on the subject, the shift of authority is due to a broad range of forces in play over the last few years: not only the deep budget cuts in Federal domestic programs, but also the shift from a national economy based largely on manufacturing to an international economy based more on services and new technology; a new assertiveness on the part of state governments that once were dormant and parochial; and the mounting national debt that has robbed the Federal Government of its role in initiating new social and economic programs.

In the past, said John Kincaid, director of research for the commission, the national economy was such a dominant force that state and local governments felt powerless to act on their own, so they turned to the Federal Government for relief from economic distress. "But now the U.S. economy is no longer able, even if willing, to bail out states and localities in every instance," Mr. Kincaid wrote in State Legislatures magazine. "The U.S. economy and its state and local economies must all compete against powerful foreign economic forces."

The efforts to build separate state and local economies have had important side effects on how the American system of government operates. If economic development is to be successful, officials say, more is needed than a favorable tax base and physical structures such as roads and water and sewer systems. The local economy must have a population far better educated than in the past, when high school drop-outs could find a job in a factory. A host of amenities, from housing to environmental protection, are needed that would

once have been considered unaffordable luxuries or goals for the Federal Government.

The states in recent years have spent increasingly larger shares of their budget on education, while trying to improve standards through such measures as requiring teacher examinations and giving state agencies authority to intervene in local school districts with a record of unsatisfactory achievement.

So great is the fear of being overcome by large numbers of unemployed, uneducated populations that states as diverse as Massachusetts and South Carolina have increased their welfare budgets in order to provide services such as day care, vocational training and medical insurance for recipients. The idea is to equip them to hold the skilled jobs required to compete in the international economy and thus save money in the long run by removing them from the welfare rolls.

The Hunt's Worldwide

Governors and mayors scour the world for investments in their communities, for new markets for their products and for tourists to visit and spend money in their areas. Gov. Bill Clinton of Arkansas, president of the National Governors' Association, tells of encountering 12 other governors on a recent visit to Japan, all there for the same purpose.

On the local level, public-private partnerships are putting together programs that draw funds from governments, businesses and foundations to provide physical renewal as well as new jobs and training. One such collaboration is helping Cleveland, devastated by the loss of jobs in heavy manufacturing, to rebuild its downtown, create industrial parks and build housing for low-income people.

The transformation from a federally dominated system to one in which the states fend for themselves has been spurred by President Reagan's conscientious effort to dismantle Federal domestic programs and to give the states and localities more authority and freedom. But there has been no unambiguous agreement to divest Federal authority to the states: The Administration's role has been almost exclusively in cutting back Federal programs and diverting those revenues to the military buildup and servicing the national debt.

One result has been an uneven performance by communities, states and regions. With the severe erosion of the Federal aid that once promoted equality between a Connecticut and an Idaho, for example, the national picture is increasingly one of prosperity in some areas and poverty in others. Pressure is building for the Federal Government to take some action to alleviate the disparities. But for the time being, state and local officials see no way out but to fend for themselves.

The States' Rights Can Vary With The Issues

By STUART TAYLOR Jr.

WASHINGTON

CONSERVATIVES and sometimes liberals speak with reverence of what the Supreme Court has called "our federalism." But it is not easy to find anyone in public life who cannot rationalize away his commitment to federalism when it gets in the way of other cherished goals.

Attorney General Edwin Meese 3d, Chief Justice William H. Rehnquist and others are on solid ground in complaining that the Supreme Court has largely stopped trying to restrain Federal encroachments into state sovereignty, which the framers of the Constitution intended to prohibit. But in a world very different from that of the framers, these champions of federalism are highly selective in their respect for state prerogatives.

This is not to say that federalism has become an empty slogan or that all federalists are hypocrites. In interpreting ambiguous acts of Congress and in enforcing various constitutional provisions, the Court often strains to avoid trampling on state prerogatives. And federalism concerns have occasionally kept the Administration from joining in legal arguments that might serve its narrow political advantage. Last year, for example, it failed to join — although it did not oppose — a successful attack by the Republican National Committee and others on partisan gerrymandering by state legislatures, most of which are controlled by Democrats.

But it was Mr. Meese's Justice Department, for example, that asked the Supreme Court to uphold a 1984 Act of Congress — signed by President Reagan in an election-year flourish of concern about drunk driving — that pressured states to raise their drinking ages to 21, on pain of losing millions of dollars in Federal highway grants. Whatever the law's merits as social policy, it is impossible to reconcile with the Administration's professed devotion to the principle of federalism, says a coalition of major state and local government groups that filed a brief attacking the 1984 law. The case is to be decided soon.

Court Goes Its Own Way

It was also Mr. Meese's Justice Department that urged the Court to strike down a Maine law requiring severance pay for workers laid off in plant closings, saying it was preempted by a 1974 Federal law. The Court rejected this argument this month, 5-4, with Chief Justice Rehnquist in dissent.

Earlier in this Supreme Court term, the department argued for the overturning of a California law that requires employers to give up to four months of leave without pay for pregnancy and childbirth, a local government's affirmative action plan for women and minorities and an Indiana law restricting corporate takeovers.

The Court rejected the Administration position in each of these cases. Among the dissenters in the first two was Chief Justice Rehnquist. As with Mr. Meese, his commitment to federalism seems to be outweighed by his sensitivity to claims of discrimination by white males challenging affirmative action programs, in particular those adopted by local governments.

Conservatives have no monopoly on inconsistency in this area. Liberals, after decades of seeing the national Government and courts as the engines of progress and distrusting the states, have more recently embraced the prerogatives of states to devise their own approaches to social problems as President Reagan has moved the Federal Government and courts to the right.

'Separate Spheres'

It was Justice William J. Brennan Jr., never bashful about overturning state laws that conflict with his liberal approach to civil rights and civil liberties, who wrote the majority opinion upholding the power of state governments to require severance pay for laid-off workers. He invoked "respect for the separate spheres of governmental authority preserved in our federal system." Justice Brennan has also applauded the "marvelous enthusiasm" with which some state courts have found broader civil liberties protections in their state constitutions than the Supreme Court has in similarly worded Federal provisions.

But Justice Brennan's occasional embrace of federalism seems more "a doctrine of convenience than of principle" to Assistant Attorney General Charles J. Cooper. He was the principal author of an Administration report last year that lamented "the evisceration of federalism as a constitutional and political principle." The report severely criticized a 5-4 ruling in 1984, with Justice Brennan in the majority and then Justice Rehnquist in dissent, in which the Court made it clear it would not stand in the way of Congressional violations of the Tenth Amendment. The Amendment commands that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people."

In an interview, Mr. Cooper said, "Somebody's fidelity to the principles of federalism is never tested until it hurts," acknowledging that many conservatives, as well as liberals, will abandon their concern for state prerogatives if they disapprove of the outcome of the state or local political process. Nevertheless, he said, "This Administration has been more faithful to the federalism principle than others."

It has, at least, taken care not to point the finger of blame at itself. A near-final draft of Mr. Cooper's report on federalism listed the 1984 drinking-age statute among several Federal encroachments on the states' "sovereign prerogatives." In the final report, this reference had been deleted. Perhaps somebody recalled who had signed the bill into law.

ABOUT THE ARTS

NEW YORK/John Gross

Vienna Before Modernism And America Between Eras of Classicism

Two exhibitions of considerable interest have recently opened at the IBM Gallery of Science and Art (through July 11) — "Pre-Modern Art of Vienna 1848-98" and "Building a National Image: Architectural Drawings for the American Democracy, 1789-1912." They have no formal connection with each other, though taken together they may prompt a few thoughts about contrasting national styles.

By today's standards, the period covered by the Vienna exhibition closes just as things are starting to heat up. In 1898 the Emperor Franz

brought Franz Joseph to the throne. What came next?

There is no established term to describe the art of the succeeding decades. Linda Weintraub, director of the Edith C. Blum Art Institute of Bard College, tells us in the catalogue that, lacking such a label, she and her fellow-organizers spent two years agonizing over a suitable title for the exhibition.

In the event, they have opted for one ("Pre-Modern Art") that points us forward toward the Secession. It implies that once we have got past the last survivors of the Biedermeier epoch, the artists on display are best thought of in relation to the modernists who succeeded them — possibly as precursors, though for the most part as embodiments of the status quo against which modernism rebelled.

Such an approach makes good sense, I think, in terms of quality. At any rate, Klimt, the only modernist included, seems to me much the best of the artists in the exhibition. (The only possible contender is the finest of the Biedermeier painters, Ferdinand Georg Waldmüller.)

It is salutary to be reminded by the catalogue, which contains a number of helpful essays by specialists, that Klimt's roots went deep into the academic art of the 19th century. He was 35, with a solid, semi-official reputation behind him, when he broke away and became leader of the Secession.

Even so, most of the pictures by which he is represented at the IBM Gallery (Madison Avenue at 56th Street) already anticipate the power and freedom of his later work. Two notable instances are his soft-focus, russet-and-black portrait of a woman in a fur collar, and the dreamlike nocturne of nudes borne along by the current in "Moving Water."

The other pleasures of the exhibi-



Anton Romako's "Girl on a Swing" (1882) from "Pre-Modern Art of Vienna" at the IBM Gallery

tion, though real enough, are relatively minor. Anton Romako, who did his best work in the 1870's and 80's, emerges as the most unusual Viennese artist of his period. You rather wish he had been better than he was.

But some of his paintings (a young girl on a swing, oddly detached from her surroundings; an informal portrait of the Empress Elizabeth) have an undeniable hypnotic quality, at once ethereal and slightly feverish, that makes you feel that Freud can't be far off.

Beyond this there are pleasant landscapes, picturesque townscapes, well-executed genre scenes and still

lifes. Many of the subjects are explicitly Austrian, and there are also a number of artifacts on show representing life as one likes to think of it being lived in Hapsburg or Fiedermas Vienna — a bombon server, for example, in the form of a silver gilt Ferris Wheel set with jewels.

What you would find it hard to gather, on the other hand (and what Austria's subsequent decline makes it easy to overlook), is that Vienna at the time was going through a period of seemingly unstoppable dynamic growth — that its population, for example, multiplied fourfold between

1850 and 1900, from some 400,000 to upwards of 1.6 million.

The one leading painter who wholeheartedly mirrored the pretensions of the epoch was Hans Makart, famous for his huge florid allegories and ornate history paintings. At the IBM Gallery he is represented by, among other things, a portrait of a Valkyrie who can only be described as *Kolosai*; but to see him at his most effective one would no doubt have had to be among the million or so spectators who watched the pageant he staged in 1879, on the occasion of the Emperor and Empress's silver wedding.

Alessandra Comini, in an article in the catalogue, describes the spectacle as "a collective national fantasy of Hapsburg glory." The Renaissance costumes and floats were made to Makart's specifications; the painter himself, dressed as Rubens, rode a prancing white charger; 14,000 paraders marched along the Ringstrasse.

It was the Ringstrasse itself, a great circular boulevard, begun in 1857, that was the most eloquent symbol of Franz Joseph's Vienna, and it is the Ringstrasse that is missing from the current exhibition. If you want to compare the buildings that lined it with the 19th-century American designs on show in the adjoining rooms, you will have to make do with the illustrations in the catalogue.

A Resilient Classicism

"Building a National Image" is an exhibition that tells a number of stories — most strikingly, that of the rise, dissipation and reinstatement of the classical ideal.

While the Founding Fathers had judged classicism the appropriate form of architecture for the new republic, the public buildings of the three decades or so after the Civil War are rather more of a tribute to American pluralism. It was an era of Gothic courthouses and Romanesque post offices, of reminiscences of Rouen and Bruges (as Bates Lowry says in the catalogue) suddenly showing up in Indiana and Kentucky. But by the end of the century classicism had resumed its sway.

The drawings in the exhibition reveal a great deal about the interplay between shifting American fashions and permanent American aspirations. Many of them are also very beautiful in themselves, and quite a few have the fascination of depicting proposals that were never carried through — architectural might-have-beens.

In this respect the section on competing plans for the Lincoln Memorial in Washington is in a class by itself. The architect eventually chosen to build the Memorial, in 1912, was Henry Bacon, but some dramatic alternatives were put forward: Daniel Burnham's scheme for a semicircular colonnaded plaza on Delaware Avenue, a series of designs by John Russell Pope that included a pyramid, a ziggurat and a funeral pyre (all illustrated in bold graphite renderings that Mr. Lowry says were probably the work of Rockwell Kent). Whether they would have worked better than Bacon's design in practice is doubtful; but as visionary architecture they retain a haunting appeal. □

'Museum Without Walls' Is a Model of Clarity

By JOHN RUSSELL

Nothing could be more deceptive than the cool, distanced impact of the new Menil Collection in Houston. In its installation — owed above all to Dominique de Menil, the museum's prime mover, with the collaboration of her director, Walter Hopps — it is a model of clarity. Yet it is a museum of discreet passions and audacious pairings. In certain domains, it is all concentration, with one masterpiece after another to make its point. Yet there are also rooms that cause us to hang-glide from one period, one place and one civilization to another.

As we move on the instant from a tiny neolithic figurine (Anatolia, circa 5600 B.C.) to an Etruscan winged lion, and from there to a majestic sunken relief of bird-headed Horus (Egypt, New Kingdom, 19th dynasty, 1320-1200 B.C.) we realize that this is not just another miscellany. Nor is it one in which vanity and self-importance ride in tandem. It is an enterprise of the spirit, and of the vagrant imagination. Everything is there not because it is "important" — though often it is — but because it is loved, cherished and thought about. Cross-reference is paramount, and surprises — and there are many — are not gratuitous.

To realize this, we should study the survey of international Surrealism in the museum. Ever since Mrs. de Menil had her portrait painted by Max Ernst in 1934, Surrealists and Surrealism have been at home in the collection. Mrs. de Menil and her late husband, John, were young at the right time and alert at the right time. They had a feeling not only for individual key pieces but for provocative auxiliary items.

It is those items, as much as the major works, that give the lay visitor a sense of what it was like to live through the 1920's and 30's with artists and writers who found marvels where no one had found them before. By the breadth of reference of what we see, we are reminded, moreover, that this collection was built up at a time when many a reader was fired by André Malraux's concept of the "museum without walls" — the museum imagined between the covers of a book that could never be brought together in reality. What we see in Houston is the archetypal museum without walls that, for once, has got itself walls that are worthy of it.

The museum's Surrealist holdings both of Max Ernst and of René Magritte — to name only two — are more impressive than those of many

an older and larger institution. Over and over again, the Menils acquired the kind of image that would in its sole self have justified the importance now accorded to Surrealism in the history of the human imagination. Ernst's "Surrealism and Painting" (1942) is one such image. Fundamentally, this painting treats that most familiar of art-world subjects, the painter in his studio. But the painter in this case is not your standard human professional but a sea monster out of Jules Verne. Part octopus, part elephant, it applies its writhing coils and strange slithery flippers to the task of painting.

Among the many celebrated Magrittes on view, one that struck this visitor all over again was the late sculpture called "Madame Récamier," which takes off from a famil-

Houston's Menil Collection educates us with the lightest possible hand.

lar image by Jacques-Louis David. It goes on to portray, not the most acclaimed beauty of her day, but a big black prehensile coffin that has climbed up onto Madame Récamier's hardly less acclaimed sofa and there strikes the reclining pose for which she was best known. (The piece would have had an even greater impact if it had not been placed in a specially built mortician's window, thereby taking the conceit a stage further, whereas Magritte knew when to leave well alone.)

Given the "Madame Récamier," or a painting called "The Survivor" — in which a rifle stands against the wall and drips fresh blood — we realize the full and timeless power of Magritte's imagination.

In one showcase, there is Magritte's "This Is a Piece of Cheese." In this, a small painting of a piece of cheese stands inside a glass jar that stands, in its turn, on top of a glass stand.

The "real thing" and the thing depicted dance a quadrille before our eyes. Any qualified person could get together the great Surrealist magazines and the right exhibition catalogues to go with "This Is a Piece of Cheese." But none of us could have put the Magritte side by side with "Otter Mask With Spirit Mask,"

which was made by an Eskimo about 100 years ago. What can they have in common? Simply that the otter mask bears on its back a lidded aperture in which there is secreted the mask of a human spirit. The double image in the one calls out to the compound image in the other, and they get to talk.

Nor would any other institution have included among the souvenirs of André Breton (author of the Surrealist Manifesto) a mid-19th-century sculpture of a glove taken off and thrown down. Cast in metal and painted, this is precisely the kind of object, humble and yet bizarre, that the Surrealists delighted in. Yet it could seem to have been dragged in on a whim, if it were not that in Breton's novel "Nadja" he speaks of a glove of precisely this sort and goes on to illustrate it. It is with touches of this sort, in the context of Surrealism, that the Menil Collection takes us out of the dining room and into the kitchen, where the action is.

This is a museum that welcomes us, treats us as adults and educates us with the lightest possible hand. There is no admission fee. There is no shop. We cannot become members of the museum. The Acoustiguide, like the explanatory label, might never have been heard of. There are no "starred items," spotlight and roped off. We have to make our own connections. This visitor treasured especially the room that stands at the end of the line in a section devoted primarily to so-called primitive art. It has in it three objects only. One is an anonymous painting — stiff, frontal, hieratic — of the Virgin of Belem made in the 18th century. Next comes a tiny figure of Christ sitting on the Cross that was made in our own century in New Mexico. More vividly than many a larger, grander figure, it suggests the Savior's agony.

And there is, finally, a Lenten curtain, painted on cotton, of the Deposition. The work was made in Bolivia or Paraguay in the early 19th century. Close on 13 feet high, it has little to do with the conventional mourning group. It proceeds instead by inventory, listing the instruments of the Passion, one by one, giving the figures plenty of room to maneuver, maintaining throughout a tranquil and ordered tempo. It takes a kind of genius to put those three objects together.

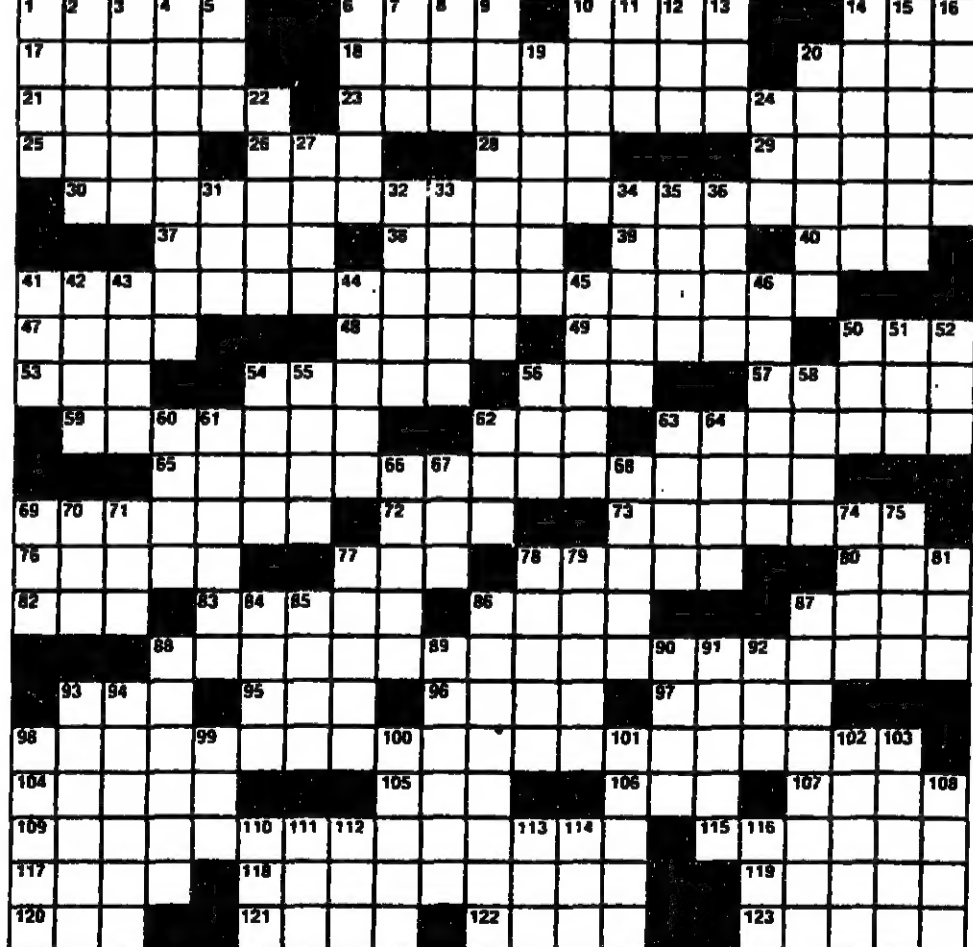
Throughout the Menil Museum there is evidence of a universal awareness. Vast areas of our esthetic heritage are not touched on at all, but this is an act of faith and love, not an encyclopedia. Where Dominique de Menil leads, we follow, and our time is not wasted.

Mangled Middle Names

BY MAURA B. JACOBSON/Puzzles Edited by Eugene T. Maleska

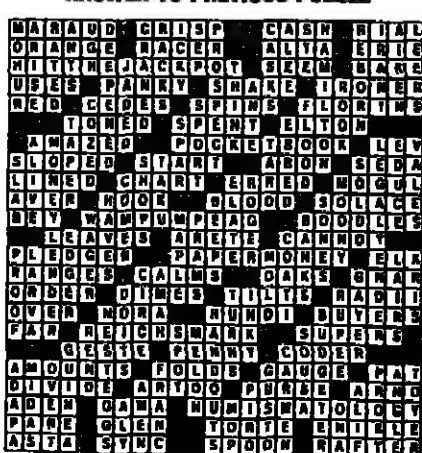
ACROSS

- 1 Antarctic cape
- 6 Esau's land
- 10 Café au —
- 14 Sch. cooperative
- 17 Bill addendum
- 18 Serenades
- 20 Parisian cop
- 21 Iron deficiency
- 23 Actress idolized by leathernecks?
- 25 "Road" film destination
- 26 Bearded friend
- 28 Guido's high note
- 29 Tissue: Comb. form
- 30 Author of Hindu fairy tales?
- 37 Practice girth control
- 38 Completely: Comb. form
- 39 Be remorseful
- 40 Conducted
- 41 Post who wrote "Hair"?
- 47 Incense emanation
- 48 Cartoon squeals
- 49 Virgil's tongue
- 50 La —, Bolivia
- 53 Shogun's Tokyo
- 54 Certain securities
- 56 Half a sawbuck
- 57 Lord or vassal
- 59 Algonquian Indian
- 62 Einstein's birthplace
- 63 Played the coquette
- 65 Composer of "Pump and Circumstance"?
- 69 Reddish-yellow dye
- 72 Anonymous John
- 73 Staggers
- 76 Coronet
- 77 Willy
- 78 Corresponded
- 80 Folded border
- 82 Tomahawk
- 83 Use a club
- 86 Author Sheehy
- 87 Former Venetian ruler
- 88 Inventor of a Turkish confection?
- 93 I.R.S. employee
- 95 Deface
- 96 Time — half
- 97 Pub stock
- 98 Publisher who managed fairways?



- 104 Ancient Greek poet
- 105 Some grid-ders: Abbr.
- 106 Fond du —, Wis.
- 107 In the thick of
- 109 Writer of jazz anthems?
- 115 Covenant
- 117 Vats
- 118 Starting place
- 119 Historian Nevins
- 120 Trans-Atl. jet
- 121 Sir Anthony
- 122 Leonine complaint
- 123 Pooh's creator
- 11 Savanna blackbird
- 12 Eng. starter
- 13 —, tung, now
- 14 Zedong
- 15 Puckered fabric
- 16 Colored
- 17 Bell (Anne Brontë)
- 19 Low bow
- 20 In an equitable manner
- 22 Not symmetrical
- 24 Haggard's Ayesha
- 27 Frosh esthetics course
- 31 Sonny's sibling
- 32 Timetable, for short
- 33 Chops clumsily
- 34 Firth of Clyde island
- 35 Nantes night
- 36 Supermarket dept.
- 41 Palnoka of the comics
- 42 Potpourri
- 43 Orhelo, for one
- 44 — diamonds (big casino)
- 45 Nonrigid airship
- 46 Join the ranks
- 50 Resident animal
- 51 It goes before beauty
- 52 British letter
- 54 Thai coin
- 55 Cry of disbelief
- 56 Scourge in 1918
- 58 Dies
- 60 A bit open
- 61 Caustic compound
- 62 Rubber tree
- 63 Dactyl, e.g.
- 64 Troubadour's tote
- 66 Runs in neutral
- 67 "Thin Man" co-star
- 68 Gown for Calpurnia
- 69 Alma —, Soviet city
- 70 Slangy veto
- 71 Scottish veto
- 74 Greek ars
- 75 Utah's lily
- 77 Beate, surname
- 78 — Pepper (Redford role)
- 79 Giant, to a Dodger
- 81 Crew
- 84 N.Y.C. museum
- 85 Emir's colleague
- 86 Legs Diamond was one
- 87 Earl of Beaconsfield
- 88 Falcons' weapons
- 89 O'Hare garage
- 90 Kin of tee-hee
- 91 Vote in
- 92 Goddess, in the Forum
- 93 Film variety of cloud
- 94 Flexible
- 96 Floats airily
- 99 Business abbr.
- 100 Thruway to Fairbanks
- 101 Handbill
- 102 Like a bantam
- 103 U.S. missile
- 108 Unit of force
- 110 Shrine city of Japan
- 111 Police gp.
- 112 Be a plaintiff
- 113 Wellington —, Chinese statesman
- 114 Bambi's aunt
- 116 Aries

ANSWER TO PREVIOUS PUZZLE



The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE D. BRIDGES, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher
MAX FRANKEL, Executive Editor
ARTHUR GIL, Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
WARREN HOFF, Assistant Managing Editor
JOHN M. LEE, Assistant Managing Editor
ALLAN M. NIEGAL, Assistant Managing Editor
JACK ROSENTHAL, Editorial Page Editor
LESLIE H. GELB, Deputy Editorial Page Editor
A. M. ROSENTHAL, Associate Editor
ARTHUR OCHS SULZBERGER JR., Assistant Publisher
LANCE R. PRIMIS, Exec. V.P., General Manager
RUSSELL T. LEWIS, Sr. V.P., Circulation
J. A. RIGGS JR., Sr. V.P., Operations
HOWARD BISHOP, V.P., Employee Relations
FRITZ G. LINKER, V.P., Advertising
JOHN M. O'BRIEN, V.P., Controller
ELISE J. ROSS, V.P., Systems

On TV: Five Crimes of Conscience

Fawn Hall, secretary to Oliver North of the National Security Council staff, smuggled her boss's documents out of the White House last Nov. 25 as the Administration shut down his Iran-contra operation. It was not a cover-up, she told Congress last week; she was merely "protecting" the enterprise. From whom? "From everyone." Outsiders were threatening the hostage negotiations and new aid for the Nicaraguan rebels.

Senator Warren Rudman protested, "Well, it wasn't the K.G.B. that was coming, Miss Hall; it was the F.B.I." No use. Ollie North's loyal aide knew who the real enemy was: not the Russians, not even the Sandinistas, but any opponent of the covert operation, including Congress.

This attitude could hardly be a more banal symbol of the power lust and contempt for constitutional government unfolding before the investigating committees. Witnesses like Richard Secord, the former general turned contra arms dealer, and even Robert McFarlane, the onetime White House moderate, voiced the same frustration over the need to share power with Congress and information about terrorism policy with the American people.

What did the Reagan Administration do that was so wrong? Representative Lee Hamilton, chairman of the House investigating committee, spelled it out in his summary of the first six weeks of hearings. The Reagan Administration:

1. Created a private network to carry out American foreign policy, contrary to law;
2. Enlisted philanthropists and profiteers to buy and sell arms for Iran and the contras;
3. Sent emissaries begging money from third countries;
4. Ransomed hostages, contrary to its own pious protestations;
5. Lied about it all.

Public or Special Interests on Insurance?

Thousands of New Yorkers know the life insurance sold by savings banks is an excellent buy. Fewer know that the chance to purchase certain kinds of savings bank life insurance is now under attack by the insurance agents' lobby. Voters ought to let legislators know they are watching.

Two years ago the agents lost a battle to limit the amount of insurance the banks could sell to depositors. Now they are pressing the Legislature to limit policyholders' right to convert their "term" policies, which have no accumulating cash value, into conventional "whole" life insurance, which do.

Savings banks were given authority to sell life insurance in the 1930's, when the only policies available to lower-income New Yorkers were incredibly overpriced. But the insurance lobby swiftly regrouped, and has been able to prevent the savings banks from competing for affluent customers. Until last year, the maximum S.B.L.I. policy was limited to \$50,000 — far less insurance than most middle-income families need.

But in a successful effort to expand their own rights to market group policies, the agents inadvertently

The hearings have already accomplished much by raising consciousness about the need for official accountability. They have advanced understanding about President Reagan's role in condoning the hostage negotiations. They have forced Mr. Reagan out of a defensive pocket of claimed ignorance, and then forgetfulness, to admit that he knew more about the arms dealings than previously acknowledged.

Mr. Reagan holds firmly to the claim that he knew nothing about the diversion of Iran arms proceeds to the contras. But that claim has itself become a diversion. What the hearings reveal is not a single shipment of cash in one direction. They show a pattern, in which money flowed surreptitiously through Swiss bank accounts in both directions, as needed by Colonel North.

Fawn Hall's candid testimony gave the game away. "Sometimes you just have to go above the written law," she said. The Administration claims, first, that Congress didn't write the law to prohibit the Iran-contra dealings. If that argument doesn't work, it goes on to contend — in language less frank than Miss Hall's — that Congress lacks the constitutional power to do so.

What all this adds up to is a single, central offense: a Government behaving above the law. "Our Government cannot function cloaked in secrecy," says Chairman Hamilton. "It cannot function unless officials tell the truth. The Constitution only works when the two branches of government trust one another and cooperate."

Dictators, not democrats, create private governments, develop private budgets by dunning the wealthy, traffic with profiteers and lie to legislatures. Tyrants, not elected public servants, decide which laws apply to them.

ently provided S.B.L.I. a lovely loophole. Anyone who lives or works in the state may now join the "group" known as savings bank depositors and thereby become eligible for up to \$250,000 worth of S.B.L.I.'s group term insurance. Consumer Reports rates S.B.L.I. among the cheapest insurance available, which probably explains why some 400 "group" policies are purchased each week.

There's one catch, however. Group insurance is term or pure life insurance, with no savings component. The agents want Albany to keep S.B.L.I. customers from converting their big policies into "whole" life insurance. Under a bill approved by the Senate's insurance committee, conversions would be limited to \$50,000.

Since relatively few S.B.L.I. policyholders are likely to use the conversion privilege, the damage would be modest. But the symbol here is important. The sole purpose of the proposed restriction is to protect insurance agents at the expense of consumers. Passage would reinforce the impression that the Legislature cares more about special interests than about the public.

Tougher Punishment, More Data on Bias

Ninety days into an investigation that is supposed to last a year, Governor Cuomo's Task Force on Bias-Related Violence has issued two modest but useful recommendations.

One would stiffen criminal penalties and enhance civil remedies for crimes motivated by bias. The other would mandate collection of data on bias-related incidents by police. The Legislature has time to enact both before its current session ends. That's the best way for the state's leaders to respond to the Howard Beach incident last December and the spate of racial incidents that followed.

The crime legislation would create a civil cause of action that victims or the Attorney General could pursue against assailants. More important, it would give prosecutors discretion to increase the severity of charges if they felt a crime was motivated by bias. The data collection measure is just as sensible.

Only New York City and Nassau and Suffolk counties have police units to investigate and keep track of discrimination crimes. Elsewhere in the state, neglect seems to be the norm.

Task force members heard "poignant and disturbing" testimony from people who had been burned out of their homes, harassed in schools, subjected to assaults. Yet in a 1985 survey of police agencies throughout the state, fewer than 12 incidents were reported outside New York City and Long Island.

Eventually the Governor's task force will have to deal with tougher subjects, like how to teach tolerance to young New Yorkers and whether there ought to be a permanent special prosecutor for discrimination-related crimes. Meanwhile, these two simple recommendations offer an eminently worthy way to begin.

On Target on AIDS

Credit New York state and city officials for focusing on the most meaningful way to fight AIDS: helping heroin abusers kick their habits. Such addicts pass the disease among themselves by sharing needles, then pass it along to sexual partners and children.

Thousands more of the city's 200,000 heroin addicts would respond to treatment if it were available. Yet programs are heavily oversubscribed for lack of facilities.

The city will turn over several buildings to the state's Division of Substance Abuse Services. The agency will rehabilitate the space and set up 3,000 places for patients to be treated with methadone and other therapies, increasing current capacity by about 10 percent. Mayor Koch pledges to help quiet community opposition.

The expense and disruption wouldn't be necessary but for Federal rules tying methadone distribution to increases in counseling staffs. Methadone satisfies heroin craving while allowing the addict to function normally.

The drug itself, already administered to some 30,000 city addicts, can be dispensed quickly. It might be immediately given to more thousands were it not for the Federal staffing regulations.

The case for the Federal counseling requirement was shaky even before the urgent need to curb AIDS. Now the provision looks downright dangerous.

Topics of The Times

Better Deal for Jurors

New York City jurors receive \$12 a day, while Nassau County residents get only \$7. In Rockland County, the per diem is \$6. Legislation pending in Albany would set a uniform jury fee statewide and increase compensation to a more presentable \$15.

When Albany took over the costs of running New York's vast court system a decade ago, it simply adopted the existing jury pay rates, with all their local variation. State Senator John Dunne, Republican of Nassau County, and Assemblyman G. Oliver Koppell, Democrat of the Bronx, have sponsored a bill to set a uniform fee of \$15.

The bill's future, however, is jeopardized by disagreement over Mr. Dunne's additional provision to extend the time between jury calls from two to four years. The idea would be to encourage broader participation — a worthy goal, but one that could create a practical crisis for New York City, where the courts already have trouble drumming up enough jurors. In any case, the issue ought to be considered apart from the fee.

Clearly, the state can't afford to compensate citizens fully for their jury time. But existing low and varying rates are an insult. A uniform rate of \$15, still only half the \$30 a day paid by Federal courts, would be a welcome gesture in the right direction.

Letters

Coherent and Affordable U.S. Defense Strategy

To the Editor:

Like many earlier Times editorials on defense, "The Chaos in Cap's Store" (May 26) fails to state the facts. I will not attempt to comment on every inaccuracy but rather focus on your central complaint: that we lack a strategy — "coherence" — and that Army, Navy and Air Force are allowed to "spend as they please." Both allegations are flatly wrong. Permit me to elaborate.

Our objective is peace with freedom for the American people. As I wrote in this year's annual report to the Congress: "America's basic defense strategy, as it has been for the entire postwar period, is to deter aggression. Our strategy seeks to safeguard U.S. interests by convincing adversaries not to commit aggression against those interests. It precludes an attack from happening in the first place through clear alliance commitments and ready forces that provide us with an effective and credible response to any level of aggression."

Broadly speaking, there are three fundamental requirements for a credible deterrent:

- We must provide future generations protection against attack from the most devastating military threat of our time, nuclear-armed ballistic missiles. This is the purpose of the Strategic Defense Initiative.
- We must rebuild what we need in the interim — strategic forces strong enough to respond in kind if an attack should occur.
- We must have conventional forces sufficient to deal with a wide range of contingencies, from what some call "low-intensity conflict" in

the third world to the very serious threat posed by massive Warsaw Pact forces in Eastern Europe.

When I arrived in office, I found that these conventional-force requirements would consume the bulk of our funds — to provide the level of pay and benefits necessary to achieve a quality force, to equip our people with modern weapons, to insure that spare parts and munitions are available to sustain that equipment and to acquire the airlift and sealift to take our forces where they need to go. (On the last point, I am astounded by your ignorance of what has been accomplished since 1980: We have increased strategic air-

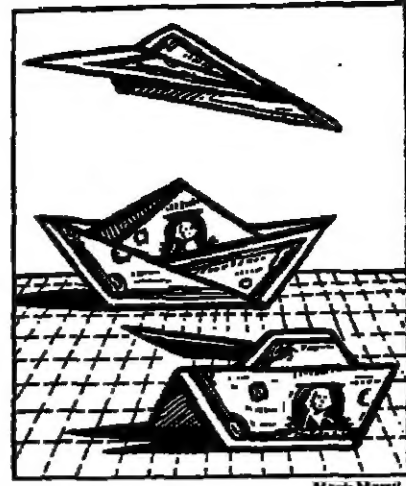
ent." It does not permit each service to spend as it pleases.

What appears to be troubling Times is what the strategy costs. This leads you to applaud the cuts proposed by the chairman of the House Armed Services Committee — the deepest cuts considered seriously by anyone. But if you are going to applaud the cuts, I would urge that you read the House bill first to make sure you understand what is proposed.

The cuts bear little resemblance to what The Times thinks is happening. The bill does not protect readiness: whereas the President's budget requested a 3.8 percent real increase in the operations and maintenance account, the House bill reduces the account in real terms. Nor is the bill responsive to your dislike of helicopters: it proposes buying more helicopters than the President requested (including resurrecting a helicopter program we recommended be canceled). And the bill wisely funds the two carriers to which you object.

If your objection to the President's defense budget arises indeed from a perception that its cost is too high for the country to bear, permit me to disagree. The President's budget request can be sustained with approximately 6 percent of what the nation produces — the gross national product. This is well within what we've been able to afford in the past — certainly less than the burden we bore in the 1950's and 1960's. I for one believe it is a reasonable price to pay to protect the nation's interests, and the freedom of its people.

CASPAR W. WEINBERGER
Secretary of Defense
Washington, June 1, 1987



lift capacity by almost 70 percent and Government-controlled sealift by a factor of four — hardly the "short shrift" you allege.)

Quite clearly, we do have a strategy. It is, in my judgment, "coher-

Iran-Contra Hearings May Help to Cleanse Foreign Relations

To the Editor:

As retired colleagues of Prof. George McKenna, we cannot let his June 5 letter, "Iran-Contra Hearings Undermine Foreign Relations," go unanswered.

It is not the Iran-contra hearings that undermine foreign relations but the activities uncovered by them. In quoting the Supreme Court's 1936 description of the President as the "sole organ of the Federal Government in the field of international relations," McKenna suggests that he has absolute power, a position contradicted by Congress's constitutional power regarding treaties, war-making, etc.

This does not require "open covenants openly arrived at": secrecy in negotiations (such as the "back-channel" Kissinger-Dobrynin ones that led to the SALT I treaty) may well be necessary from time to time; but to become valid, the draft treaty still requires consent of the Senate. Would McKenna favor the binding force of "agreements" secretly made with Iranians by a retired general, even if the general had Mr. Reagan's approval?

But there is more to it. Over the last couple of decades, conduct of U.S. foreign affairs has tended increasingly to proceed on two levels: the official level, where the State Department deals with other countries'

foreign offices, observing the traditional rules of diplomacy (i.e., behavior patterns generally recognized among modern states and referred to as rules of international law), and an unofficial level, where an agency such as the C.I.A. may engage in more or less clandestine operations (e.g., hostilities on foreign soil conducted by hired mercenaries, setting up private agencies for funding or transportation). Anything goes, including attempts to assassinate foreign heads of state or to organize peacetime attacks on or invasions of foreign countries or to topple ("destabilize") their governments.

Even when approved not only by the President but by Congressional majorities, such activities are in violation of fundamental rules of international law prohibiting the infringement of the territorial integrity of a foreign country or making one's own territory a base for military operations against other groups.

Therefore, far from "undermining this nation's security," the Congressional hearings may serve to restore a conduct of foreign relations that no longer flouts rules of behavior which have been the foundation of diplomacy since the rise of the modern state system. True, in a world of powers and superpowers, conducting international

affairs is not a child's game. But if nations are to live in peace with one another, at least some elementary restraints on the exercise of power are needed.

JOHN H. HERZ
THOMAS KARIS
New York, June 8, 1987

The writers are emeritus professors of political science at City College of New York.

Elliott Abrams's Bosses

To the Editor:

In the Congressional hearing on June 3, Assistant Secretary of State Elliott Abrams told Representative Jack Brooks, "I don't work for you. I work for George Shultz, and he seems to be pretty satisfied with the job I've done for him." (news story, June 4)

Unless Mr. Shultz is running a private company down in Washington and Mr. Abrams is an employee of that company, Mr. Abrams is actually working for the people of the United States, as is his boss, Mr. Shultz. Mr. Abrams, though not directly accountable to the people, is as much a servant of the people as our senators and representatives. When our servants in Washington forget that fact, it is time to replace them.

PIERRE PAPAZIAN
Dumont, N.J., June 4, 1987

What We Must Know About Our Leaders

To the Editor:

With regard to the controversy over whether the news media and the voters should concern themselves with alleged sexual or other moral misconduct of political leaders and potential candidates for public office, I offer the following quote from John Adams's "Dissertation on the Canon and Feudal Law" (1765):

"Liberty cannot be preserved without a general knowledge among the people, who have... an indisputable, unalienable, indefeasible, divine right to that most dreaded and envied kind of knowledge, I mean of the characters and conduct of their rulers."

DAN GRAYDON FEFERMAN
Western Division Director
American Constitution Committee
Washington, June 8, 1987

Marshall Plan Is No Concept for All Regions

To the Editor:

James Reston's column on the 40th anniversary of the Marshall Plan (May 24) is a reminder of the importance of that effort and the bipartisan support that was required to pass legislation to put the plan into effect. It is appropriate to celebrate the results.

The danger, however, is that we try unthinkingly to relive that success. We are told that a Marshall Plan is needed for the Middle East, for Latin America, for Africa. By that is meant the infusion of large amounts of money to help develop specific areas. In our search for developmental answers, the Marshall Plan is correctly regarded as a major success. Yet we sometimes forget that Europe had the infrastructure, institutions, policies and

trained people to absorb major appropriations. Many other parts of the world lack some or all of these. It is unwise to predicate developmental success in other areas on Marshall Plan magnitudes of funds.

We should have learned that developmental success is not easily replicable, that it is a complex, nationally specific process involving sociocultural and political factors. Money alone is not the answer, although less money is also not a solution.

Let us honor the Marshall Plan as a unique contribution of the United States, and let us try to create other unique contributions based on local needs and local solutions.

DAVID I. STEINBERG
Bethesda, Md., May 28, 1987

The writer is a former Agency for International Development official.

Naval Aluminum Was Not the Achilles' Heel of the U.S.S. Stark

To the Editor:

News accounts of the 1982 Falklands naval engagements created erroneous impressions about the use of aluminum in ships. Those accounts required correction at that time. Today, misstatements about the performance of naval aluminum in the U.S.S. Stark also need to be corrected (e.g., your May 22 editorial).

Suggestions that marine aluminum can "burn" simply are not true in the commonly accepted sense of contributing to combustion the way that wood or rubber does. Under heat of an intense fire, aluminum weakens — as do other metals — and will ultimately melt, although that process can be delayed by the type of insulating material the Navy is applying to superstructures to gain the time necessary for damage control.

To increase their combat effectiveness, the Navy has made use of aluminum in the superstructures of many of its warships. Because aluminum is lighter than steel, using it above the waterline adds to a ship's stability, maneuverability and speed. Otherwise, it would be difficult to accommodate the weight of sophisti-

cated radar and electronic gear, which must of necessity be mounted high on the ship. In terms of its capacity to shield against shells and fragments, aluminum can be as effective as steel, especially when used with certain fiber laminations.

Decisions by the military services concerning which materials to use for which purpose are made very deliberately, and aluminum has been found to be a wholly appropriate material for naval vessels.

At the time of the Falklands naval engagements, we had no evidence that the material used — whether it was steel or aluminum — was a factor in the loss of ships. In fact, the British destroyer Sheffield, whose loss drew the greatest attention, was essentially an all-steel vessel.

Thus, in December 1982, following extensive inquiries, the British Secre-

tary of State for Defense presented a report to Parliament in which he stated "... there is no evidence that [aluminum] has contributed to the loss of any vessel" in the Falklands campaign. Similarly, on Feb. 3, 1983, then U.S. Navy Secretary John F. Lehman Jr. reported to the House Armed Services Subcommittee on Seapower and Strategic and Critical Materials that "there is no evidence that use of aluminum contributed to the loss of any of the British combat ships."

We are confident that when current official inquiries into the missile firings on the U.S.S. Stark are completed, naval aluminum will again be found to have played its usual positive roles, contributing to naval vessels' stability, maneuverability and speed.

JOHN C. BARD
President, Aluminum Association
Washington, June 3, 1987



The New York Times
Company

229 West 43d St., N.Y. 10036

Operating Groups

ARTHUR OCHS SULZBERGER, Chairman
WALTER MATSON, President
DAVID L. GORHAM, Senior Vice President
BENJAMIN HANDELMAN, Senior Vice President
MICHAEL E. RYAN, Senior Vice President
GUY T. GARRETT, Vice President
SOLOMON R. WATSON IV, Secretary
DENISE K. FLETCHER, Treasurer

JOHN D. POMFRIT, Senior Vice President
JOHN R. HARRISON, Vice President
WILLIAM T. KERR, Vice President
DAVID K. MACDONALD, Vice President
C. FRANK ROBERTS, Vice President

سكوا في الام

Our Flags Don't Belong on Kuwaiti Tankers

By Claiborne Pell

If diplomacy is the art of letting someone else have your way, Kuwait has mastered this art in getting the Reagan Administration to extend the protection of the American flag and Navy to its oil tankers.

The question is, Does the proposed reflagging serve the United States' interests? It does not. The Senate should therefore act favorably on legislation to block the reflagging agreement.

Since the outbreak of the Iran-Iraq war in 1980, Kuwait, a small, oil-rich nation at the top of the Persian Gulf, has served as Iraq's ally, financier, and port on the Persian Gulf.

In the last six months, Iran, abetted in part by American-supplied weapons, has been threatening to break through Iraq's defenses in and around Basra. Perceiving the shift in the fortunes of war, and with Iranian troops some 20 miles away, Kuwait is afraid a triumphant Iran will seek retribution.

Claiborne Pell, Democrat of Rhode Island, is chairman of the Senate Foreign Relations Committee.

Thus, Kuwait has undertaken a desperate gambit to end the war by drawing in the two superpowers. To the chagrin of its Persian Gulf neighbors, Kuwait has asked both the United States and the Soviet Union to place their respective flags on Kuwait's imperiled ships.

The Soviet Union declined and instead offered Kuwait a commercial lease of three Soviet tankers.

The Reagan Administration, eager to restore a reputation tarnished by its covert arms sales to Iran, has embraced Kuwait's gambit.

Unfortunately, the Administration has not weighed the benefits of its limited-protection scheme against the risk of greater United States involvement in the Iran-Iraq war.

Nor has it weighed the precedent-setting effects of providing protection to Kuwaiti-owned vessels flying an American flag of convenience but not to American-owned vessels flying another country's flag.

Iraq is likely to see assistance tendered to Iraq's ally as provocative. If the reflagging draws the United States into a conflict with Iran, are the American people prepared to sustain the price in lives and ships that may be required to maintain our Gulf position?

If not, then Iran may be the pos-

sition of driving the United States out of the Persian Gulf at enormous cost to the United States' prestige and interests.

For a worrisome precedent, one need only look at the end result of the Reagan Administration's ill-fated intervention on one side in Lebanon's civil war.

The United States does have important interests in the Gulf. These interests, however, can be promoted far more effectively by seeking an end to the Iran-Iraq war than by action that may entail greater American involvement.

The United Nations can and should play a greater role in forcing an end to the war. Since Iran's refusal to negotiate has frustrated United Nations mediation efforts, the time has come to trigger United Nations collective-security measures.

The United States should take the lead in promoting a mandatory Security Council arms embargo against Iran because of its refusal to end the war. America should also seek a United Nations peacekeeping force to protect nonbelligerents' shipping in the Gulf.

American leadership in the effort to bring about an arms embargo against Iran would do more to rehabilitate our reputation in the region

Instead, steps are needed to end the war.

than our prospective collision course with Iran.

As for those who may argue that our covert arms sales to Iran preclude our leadership on this issue, I would point out that other permanent members of the Security Council — the Soviet Union, France, China and the United Kingdom — have also been deeply involved in selling arms to one or both sides in this dreadful war.

The United States should also respond positively to Soviet overtures to contain the Iran-Iraq war.

Contrary to Administration fears that a United States failure to respond to Kuwait's reflagging request would lead to a greater Soviet role, the Kremlin has said that the Soviet Union had no intention of augmenting its small fleet in the Gulf and that it was eager to consult with the United

States on measures to insure freedom of navigation in the Gulf.

Working with the Soviet Union is likely to contain the war and constrain the Soviet presence in the Gulf. By contrast, a United States-Iran military clash could create opportunities for the Soviet Union in Iran and the region.

Finally, the United States should work with its allies and friends to revive "Operation Staunch," the American-led effort to halt arms sales to Iran. In particular, Beijing should be subjected to some tough "jawboning" over its arms sales to Iran. China needs to hear that selling Iran a weapon as threatening to Western interests as the Silkworm missile will be an impediment to greater American-Chinese cooperation.

Our task in the Gulf is vastly complicated by the Reagan Administration's covert policy of selling arms to Ayatollah Ruhollah Khomeini.

In devising a response to the Gulf crisis, the Administration should focus on ending the Iran-Iraq war and not on a course that risks an American-Iranian clash.

Above all, the Administration should not be compensating for the folly of last year's Iran policy at the risk of the lives of American servicemen in the Persian Gulf.

WASHINGTON
James Reston

A Talk With Cuomo

WASHINGTON
Governor Mario Cuomo is not running for the Presidency. He's sort of walking around it like a guy looking at a pretty, unattainable girl.

I spent an hour with him the other day in New York and got the impression that he's not quite comfortable sitting on that picket fence.

You couldn't say his mind is entirely on Albany. He talks about the stagnant national and world economy, the Federal deficit, third world debt, fluctuating currency values, trade imbalances and the urgent need to do something about these things, all together. He's an easy interview; you just say howdy and get out of the way.

He holds court in his skyscraper office on the 57th floor of the World Trade Center, looking over the Statue of Liberty and New York Harbor. The candidates come to see him, even some on the Republican side. Gary Hart's unemployed staff calls him up, looking for work. He seems pleased with all this but vaguely uneasy.

And no wonder. For he obviously thinks things are in a bit of a mess, and hands out advice to all seekers about what they should do about it, but insists he's just an observer.

Would he accept a draft from his party, if it got in a smoky room in Atlanta? There isn't going to be a draft or a smoky room, he says, though I couldn't tell how he knew.

O.K., would he make a Sherman statement that he wouldn't accept? His name is Cuomo and not Sherman, he says. He's not going to run and he's not going to hide, but he's going to talk, and without a doubt he's the best talker in politics.

A philosophical question: If a citizen thinks his country's in a pickle and he's in a position to try to lead it, does he have a moral right to stand aside? Mr. Cuomo didn't like that question. He thinks it's fair but he ducks it.

Governor Dukakis of Massachusetts is a good man, he says. He has been talking to Al Gore of Tennessee. Lots of good men around, he says. I was talking about Cuomo, I say. "I was talking to Bob Dole the other day..." he answers irreverently.

What he wants to talk about is the need for a national bipartisan economic commission, and he's big on interconnecting.

He ticks them off on the fingers of his hand, talking 13 to the dozen. He presses a button and produces a paper

You couldn't say his mind is entirely on Albany.

on these problems. "They are complex and inseparable," he says.

"Continuing Federal deficits keep real interest rates too high," he insists, "hurting economic growth and creating imbalances in global capital flows. Reducing the deficit is essential; however, reducing the deficit through precipitous tax increases or excessive spending cuts is a danger." He looks at me hopefully.

"Uh huh," I say. He goes on: "Efforts to address our trade imbalance by reducing the value of the dollar can cause interest rates to climb at home, impede economic growth and increase the cost of financing our Federal debt, wouldn't they?"

"Oh sure," I say, and put his paper in my pocket. But he had a point about the economic commission, I say.

It is too late for the President to do anything about this, I say, and the candidates had no time to consider the idea. He seems pleased about that observation.

A national commission, he insists, should be created with representatives of Congress, business and labor and the executive branch to help guide the country in the years ahead.

It could conduct its deliberations over the next year, he adds, with a final report to be issued prior to the 1988 Presidential election, so that the findings could be part of a vital national debate over America's economic and political future.

And meanwhile, I inquire, what about the "interconnection" between the Governor of New York and the White House?

Well, he replies, he will be very busy in Albany until July of next year getting his program through, and he is going to the Soviet Union and around the country making speeches, but after next July he would be comparatively free. I think that "after July" point is sort of interesting, but he brushes it off. No way would he talk about running or coniving at the nomination. The press was always imagining things that didn't exist, he says.

Why did he have so much trouble with the reporters? I ask. "I tell them what I think and what I think of them," he says, "but I never lie to them."

"That must be hard," I say. Think about that national economic commission," he says. "Roosevelt did it in 1938."

"I will," I promise, and I've been thinking about interconnections ever since.

A. M. Rosenthal is traveling.

Ethics Doesn't Start in Business Schools

By Lester C. Thurow

AS the new dean of a business school, I am barraged with questions about what I am going to do to improve business ethics. The questions are usually accompanied by a strong undercurrent of accusation that business schools are responsible for the bad ethics of corporate America.

The best solution, the accusers suggest, would be to abolish business schools, but if that is impossible the schools should at least take responsibility for the mess they have created and clean it up.

These assertions are unfair. Business students come to us from our society. If they haven't been taught ethics by their families, their clergy, their elementary and secondary schools, their liberal arts colleges or engineering schools or the business firms where most of them have already worked prior to getting a business degree, there is very little we can do.

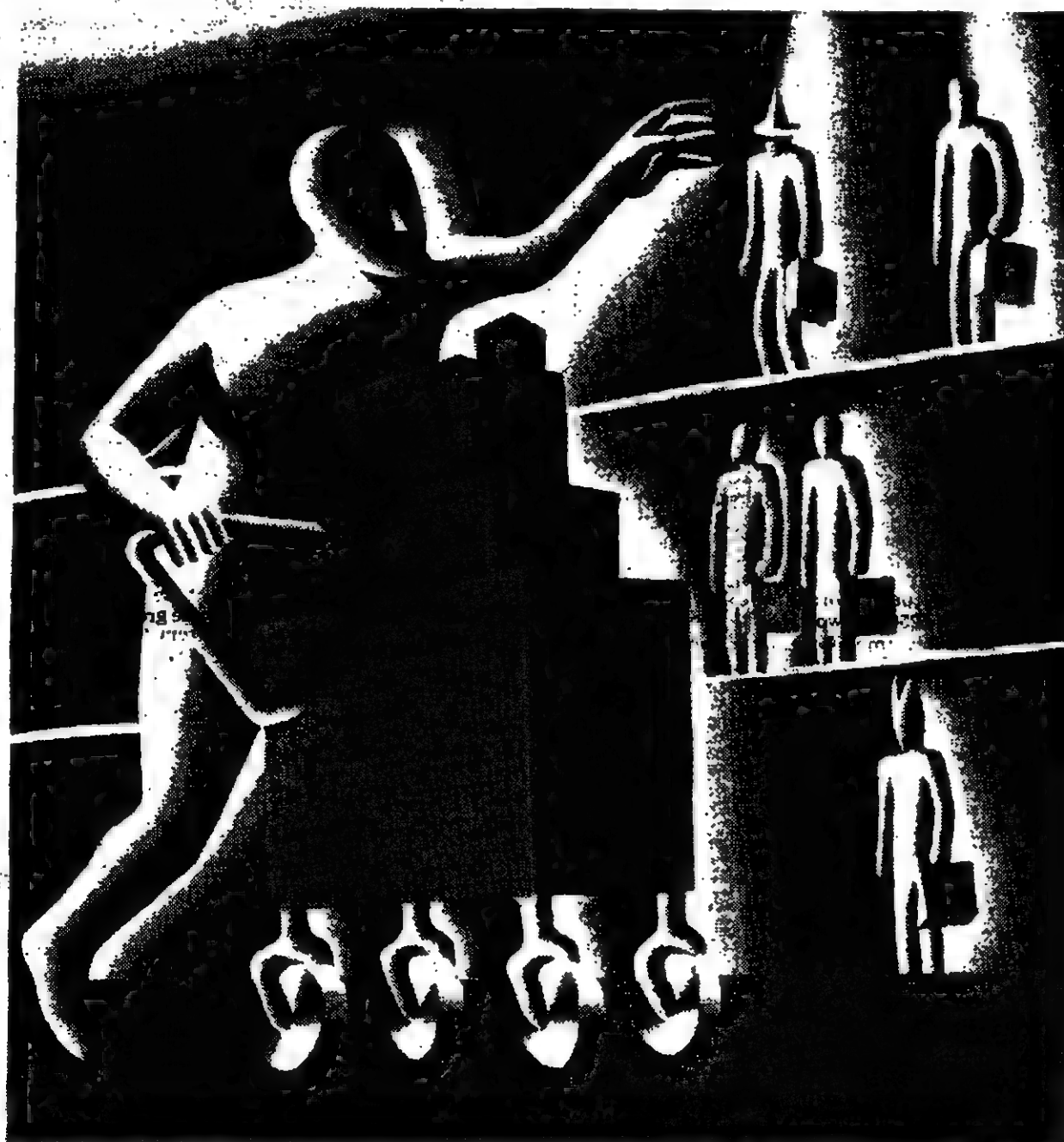
Instructions to "be good" don't sway young men and women in their mid- to late 20's. In the final analysis, what we produce is no worse than what we get. If some group of potential business people were more ethical than others, we would be glad to limit our admissions to the more virtuous, but I know of no such applicant pool.

Nor is this a new problem. Aristotle had some rather harsh things to say about the ethics of tradesmen more than 2,000 years ago. They were to be carefully excluded from what now would be called the "corridors of power." The financial scandals of the 1920's managed to occur before business schools were established, and West Germany is currently uncovering financial crookedness at Volkswagen without the benefit of having business schools. No business schools dot the Japanese landscape, but Japanese business ethics also seem on occasion to be something less than desirable.

While such defenses are more than sufficient if one is simply attempting to counter silly accusations, they are ultimately inadequate. The serious collective interest for improving business ethics merits more than a debating response from officials at schools of management.

The key to what must be done is

Lester C. Thurow is dean of the Sloan School of Management at the Massachusetts Institute of Technology.



found in the words "collective interest." Ethical questions arise because we live in communities that function according to rules and laws that promote the long-run interests of the community. Ethics is not arbitrary. It is functional, but it functions to allow a group of human beings to successfully live with each other.

A hermit can neither be ethical or unethical. He simply exists. Ethical dilemmas arise when a person's actions may contribute to the common

good of the community but at the same time hurt his self-interest. Choosing to sacrifice one's appetites and self-interest is at the heart of ethical action.

The doctrine that one should sacrifice self-interest for the collective good, however, is a message that is seldom preached in America. In our secular religion, the importance of the individual greatly overshadows the importance of the community. The bumper sticker "The Man Who

Dies With the Most Toys Wins" depicts the current state of American ethics.

If the only legitimate goal is maximizing personal income, then there are no ethical principles that must be obeyed. Individuals simply face a cost-benefit calculus where there is some probability of being punished if one is caught violating society's ethical principles. A person may obey the law because the costs of getting caught outweigh the benefits of get-

But the schools help.

ting away with it, but in doing so he or she is being clever or cautious not ethical.

How can this country restore the belief that social goals and social responsibilities are so important that they override one's personal gratification? Ethics will be restored when most individuals come to the realization that they play for a common team and are willing to sacrifice self-interest for the team. While such a message is regarded as self-evident in sports, it is seen as strangely wrong in economics and business. There only self-interest counts.

Those who do believe that the search for some moral priority over self-interest have to preach that message at all levels of American society if our ethics is to be improved. Business schools are in a unique position to preach ethics in the field of economics.

To do this, business schools cannot simply add courses in ethics to the curriculum. We have to change what is taught in business classes.

Today's finance classes teach that the sole goal of business managers should be to maximize the net worth of shareholders. Managers follow this principle because doing so maximizes his or her personal net worth.

If the only goals of firms and individuals are monetary, however, it is but a short jump to maximizing those monetary variables with means that are illegal or unethical. To create ethical business behavior, we must place higher value on goals other than personal or shareholder net worth.

Business law courses outline what is legal and imply that firms and individuals should go right up to the line between legality and illegality. Ethics does not consist of asking one's lawyer, "Is it legal?" The question "Is it right?" is not the same as "Is it legal?" Yet most Americans act as if it were so.

Sacrificing self-interest for the common good is not going to be advocated by business schools or accepted by our students unless a majority of Americans also support the premise. In the end, business ethics is merely a reflection of American ethics.

The Need to Seek Oil in Alaska's Arctic Refuge

By Donald P. Hodel

Nearly two months have passed since the Administration proposed exploring for oil in the coastal plain of Alaska's Arctic National Wildlife Refuge. The plan is now before Congress, which must decide — presumably on the basis of a dispassionate reading of the evidence — whether to kill it or move it forward. Regrettably, however, critics have engaged in nonstop misrepresentation of the facts.

America has come to a fork in the road. We can decide to explore promising oil and gas prospects in America, giving ourselves a reasonable hope of preventing the major oil producers, the Organization of Petroleum Exporting Countries, from regaining their stranglehold over the American economy. Or we can hang out a sign that says: "Take advantage of us because we lack the will to take care of ourselves."

But the critical point is this: We do not have to choose between an adequate energy supply on the one hand

and a secure environment on the other. We can have both.

There is a 19 percent chance of finding oil in the wildlife refuge's coastal plain. Some critics argue that this isn't promising enough to risk environmental damage. On the contrary, a 19 percent prospect is exceptional — the best in America and one of the best in the world. In frontier areas, a range of 2 to 4 percent is normally sufficient to justify exploration.

Our studies also identified huge geological structures underlying the coastal plain, suggesting that if oil is found it will be in world-class quantities. Such a find could be as big as nearby Prudhoe Bay, an oilfield that has proved to be an environmental success story.

The Interior Department's mean estimate for the plain is 3.2 billion barrels of oil, the equivalent of 200 days of oil consumption in the United States. It would be more appropriate, however, to look at 3.2 billion barrels as providing 8 percent of annual United States consumption in the early years of the next century, reducing imports by about 9 percent and producing net national economic benefits totaling more than \$79 billion.

If the field should prove to be of Prudhoe Bay proportions, it could produce as much as 1.5 million barrels of oil each day. Even more im-

portant, if we start now production from the coastal plain could replace oil from Prudhoe Bay as that field plays out at the end of this century. Prudhoe Bay has been America's energy salvation, with five billion barrels of production in the last decade, and it currently supplies more than 20 percent of domestic oil. Without it, America would be importing more than half its oil right now.

Overall, a major find in the coastal plain could help us reduce our dependence on foreign oil from 40 percent to 30 percent. This may look like a modest change, but it isn't. Such a reduction could mean savings of tens of billions of dollars annually in our balance of trade deficit, hardly an insignificant figure. I am not alone in believing that when our imports exceed 50 percent, and OPEC reaches 80 percent of its production capacity, OPEC may move to control the world oil market. We must do everything

No threat to the environment.

we can prudently do to keep this from happening.

Our opponents also argue that drilling would threaten the coastal plain's caribou herd. This claim is at odds with studies stretching back 15 years. The Porcupine caribou herd, the sixth largest caribou herd in North America, uses nearly nine million acres of coastal plain as calving grounds. The area proposed for leasing is only 1.5 million acres. If oil is found, the maximum area directly affected by production would be around 13,000 acres — a fraction of 1 percent of the entire coastal plain.

We have every reason to believe the caribou in the coastal plain will act in much the same way as the Central Arctic caribou (which, incidentally, have tripled in number since the beginning of operations at the Prudhoe Bay field). They will simply avoid areas of human activity and calve elsewhere on the coastal plain.

Furthermore, we are fully capable of restricting exploration, development and production activity during the six to eight weeks each year that the herd is on the coastal plain. We have discussed these issues thoroughly with Canada, and we are close to signing an international agreement specifically to protect caribou that migrate across the boundary.

Nor are we, as some have argued,

cynically attempting to exploit the Alaskan natives. What we hope to do is give Alaskan natives a fair chance at decent jobs, adequate incomes, medical treatment and education available to most other citizens. One Eskimo leader has put it this way: "If Congress makes it [the coastal plain] wilderness and Prudhoe Bay dwindles down, there is no more tax base up there, there are no more jobs."

You're going to have the Arctic Slope ghetto again." The Interior Department's recommendation to Congress would provide substantial economic opportunities for Alaskan natives and enable those who want to continue a subsistence style of living to do so.

Conservation and alternative energy development are important parts of our energy strategy. But conservation does not produce oil. It is often said that the new energy efficiency standards enacted by Congress over the President's veto will save at least one billion barrels of oil. In reality, very little electricity is generated by oil these days. So the savings in oil is minimal.

America needs to find more than 30 billion barrels of oil during the coming decade just to keep our domestic reserves at their current inadequate level. To throw in the towel and do nothing plays right into the hands of OPEC.

Losing a Market to a High-Wage Nation

By CHARLES F. SABEL
and GARY B. HERRIGEL

ALL too often, the debate about American competitiveness is conducted in the sterile context of large, high-visibility industries such as steel, automobiles and semiconductors that seem to be losing out to low-wage competitors. Thus confined, the debate often obscures more than it reveals.

In fact, for decades now the United States has lost technologically sophisticated industries to foreign competitors with living standards comparable with our own. Only when we understand why this happens will we begin to appreciate what it will take to make industry competitive again.

The textile machinery industry provides a clear example of how high-wage foreign nations quietly innovate us out of industry after industry. The United States was once the world's leading producer of textile machinery. By 1982, according to the Commerce Department, domestic producers supplied only 48 percent of the \$1.6 billion American market, and 92 percent of American sales were for spare parts. We lost this market not to Taiwan but to West Germany and other advanced nations.

The explanation for our manufacturers' failure is also the secret of their success. American manufacturers dominated world markets for 50 years with a system based on mass production. But the same system prevented them from learning enough from customers — the textile mills — to remain innovative.

As the textile industry expanded rapidly in the late 19th century, fast-growing machinery makers established a controlling grip on their customers. The mills depended on them for service, technical advice and sometimes for capital. A dependent mill seldom turned to a competing supplier. Thus, equipment makers could standardize their products, apply mass production to cut costs and tighten their hold on the mills.

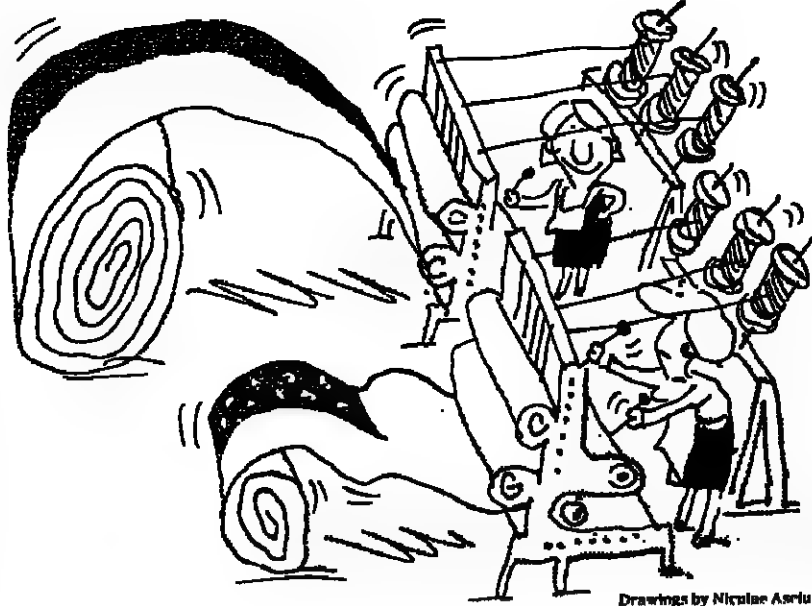
But this strategy limited the companies' ability to respond to shifts in demand. In such a tightly integrated system, every change in production required many others. As a result, anything short of a sure-fire breakthrough was too costly to try.

In time, mill owners grew dissatisfied with the standard products and modified them — but kept the results of their tinkering to themselves for competitive reasons. This cut the machinery makers off from an invaluable source of new ideas.

By the 1930's, the machinery producers were rich but aimless. They earned enviable profits selling replacement machines and spare parts, but had no incentive to develop new technology or to modify their products for sale in new markets. Then, market conditions began to change.

Mergers created textile mills bigger than even the largest machinery makers. Moreover, intense international competition in textiles led to rapid shifts in fabric production in the 1930's. The mills needed new kinds of machinery but American equipment makers reacted too slowly. They were soon displaced by foreign competitors, particularly the West Germans, who were better at developing products and adapting current ones to customer needs.

What accounted for the West Germans' success? The key was a tradition of specialization. Because 19th century German textile mills could not compete with the British in standard items, they turned to specialty weaves, creating a demand for new spinning, weaving, knitting and finishing technologies.



ishing technologies. Textile machinery makers came to view their industry as an association of specialists, each with unmatched expertise and flexibility in a particular phase or type of production.

Companies achieved economies of scale through joint marketing and research. These arrangements were called finishing associations, to distinguish them from price-fixing cartels.

Each company was guaranteed protection against competition from other association members during downturns. Without such assurance, few would have committed their fortunes to specialization.

By the 1920's, the trade association of textile machinery producers pooled advertising expenses, established foreign marketing agencies, oversaw the setting of industrial standards and fostered cooperation between the industry and its customers.

Groups of companies, regional textile mills and local governments sponsored research institutes that later were incorporated into a public technology-development and transfer system. Public vocational schools trained apprentices and offered engineering courses to craft workers.

Because companies could not diversify to reduce losses, they improved or customized their products. Progress by one company in one phase of production stimulated complementary innovations by other companies.

The more individual companies saw that success depended on cooperation, the more they supported the institutions that made cooperation possible. The kinds of incremental innovations ruled out in the American system stimulated self-renewal in the German model.

In the 1980's, the German system prospers by perfecting its traditions. As development costs rose with rapid technological and product changes, companies began to share the additional expenses with subcontractors. The companies now concentrate their expertise in coordinating design, assembling the final product and advancing a few key technologies. Increasingly, they develop complementary technologies with subcontractors.

This leads to the creation of a production network that cuts across industries. When subcontractors work for different industries, companies are not so afraid that information passed to suppliers will wind up with competitors. On the contrary, they profit from the subcontractors' collaboration with customers in different industries.

At the same time, diversified subcontractors are hedged against slumps in any one industry. A consequence of this system is that West Germany is moving rapidly into high-technology areas although it lacks — in American eyes — two prerequisites: a distinct high-technology industry and a venture-capital sector.

German flat-knitting machine manufacturers, for example, offer computer-controlled machines to make high-fashion knit goods. There is nothing inevitable about American decline, just as there was nothing inevitable about West German success. Many of the institutions that promoted flexible production in Germany were established by regional governments. Unless we similarly encourage industry to reorganize in a manner that encourages innovative specialization, our economic successes will not offset our failures.

For that to happen, basic American convictions must change. The trade associations and cooperative banks that help institutionalize flexibility in West Germany strike us as collusive. The close relations between skilled workers and managers would discomfit many bosses and trade unionists here. Many Americans believe that the only way to encourage innovation is to remove obstacles to competition, including anything that smacks of cooperation.

America is losing its industrial base because of its concepts of production efficiency and market competition. It is important to make sure that our trading partners don't cheat, that our business schools teach the right courses and that the exchange rate is stabilized at a level that encourages long-term domestic investment. But the debate about competitiveness should be first and foremost a collective discussion of how we can jump over the shadow of our success.

The Supreme Court ruled, 5 to 4, that securities-fraud suits must be decided by arbitration rather than in court if an investor has signed a contract with a broker containing such a provision. A number of lower Federal court decisions had held such arbitration clauses to be unenforceable, and the High Court's decision was considered an important victory for the securities industry.

The J.W.T. Group received an offer of \$420 million from WPP Group, a British company. The parent of the venerable J. Walter Thompson advertising agency, whose financial performance has been lackluster and whose top ranks have been thinned by several departures, did not immediately respond to the offer. In a field that has seen innumerable mergers in recent years, it was the first unsolicited takeover offer.

Creating "superbanks" is favored by top Treasury officials to enable United States banks to compete with institutions in Japan and Europe that are both bigger and more profitable. Prominent supporters include George D. Gould, Under Secretary of the Treasury, and Alan Greenspan, who endorsed the idea in an interview before he was nominated to head the Federal Reserve Board.

BankAmerica will add \$1.1 billion to its reserves for future losses on loans to developing nations. The action, which the beleaguered bank had been saying it would not have to take, will produce a loss of \$1 billion in the quarter and a loss for the year. Chemical New York later said it would take a similar action, setting aside an additional \$1.1 billion in the second quarter. It expects a loss of \$710 million for the year.

The bid for Burlington Industries was raised by \$2 a share, to \$78, by a leveraged buyout group led by Morgan Stanley. The new bid for the nation's largest textile company exceeded a hostile offer of \$77 a share by Asher B. Edelman and Dominion Textile of Canada, which hinted that it might raise its own offer.

Procter & Gamble will take an \$800 million pre-tax charge against earnings in a reorganization of product lines. P&G will scale back its ready-to-eat cookie operations, shift its emphasis to liquid detergents from powders and reduce the number of plants making shortening and cooking oil.

The stock market moved ahead. The Dow Jones industrial average rose each day, gaining 51.58 points, for the week, to close at 2,326.15. The credit markets rallied on Friday in response to lower inflation and the smaller trade deficit. The 30-year Treasury bond finished the week with a yield of less than 8.5 percent.

Miscellaneous. Intel repurchased \$381.6 million of its shares from I.B.M. ... Leading airlines raised fares. ... Continental Gummi-Werke of Germany said it plans to make an offer for the tire-making operations of GenCorp.

IN QUOTES
"Anything that recognizes that the U.S. banking system is at a disadvantage is positive. But there may be an exaggerated emphasis on size."

William McDonough, vice chairman of First Chicago, commenting on the idea of creating "superbanks."

Stirrings in the U.S.?

In the accompanying article, the authors suggest that the subcontracting of production now so popular among major corporations might provide the basis of an industrial revival. In the following discussion, Hannah Roditi, a research analyst with the Massachusetts Machine Action Project, in Springfield, assesses their theory from her perspective on the factory floor.

The Machine Action Project was established in 1986 to seek ways to revitalize the metalworking industry, which provides about one-third of the area's manufacturing jobs.

Q. Is there any hope for Springfield's metalworking industry?

A. Absolutely. We did a survey recently of what shops had closed and why. We found that most were larger shops. Many smaller companies are poised for growth. They do high-quality, precision work for customers around the country.

When we started this program, we assumed that skilled workers were abundant and the need was to revitalize industry to create jobs. Instead, we found that the industry was robust and the real problem was a shortage of skilled workers.

Q. Why are so many smaller shops prospering while so many big shops have closed?

A. Most of the larger shops are subsidiaries of conglomerates. They produce high-volume, standardized products that are facing a lot of foreign competition. In many cases management either has decided not to upgrade facilities or to relocate.

What's driving the smaller shops is the growing trend

among large companies to outsource production. The small shops are specializing in narrow market niches.

Q. Has the groundwork been laid for large companies to form subcontracting networks?

A. Yes. The small shops are beginning to work together. It depends on how innovative they are. If subcontractors do work together, then they can bid on a lot more contracts because they can each do a part of the job. But there is a tradition of competition, so whether they can get together on joint marketing efforts, we'll see.

Q. Why is there a shortage of skilled workers?

A. The larger shops were mainly production- and high-volume-oriented. A person was stuck operating one or two machines for 5, 10 or 20 years. When the plants closed, these workers hit the labor market without the skills that smaller shops need.

In the smaller, 15- or 30-person shops, people have to be flexible, know how to do different things. Small shops are contract-oriented; they don't know what they will get from month to month. They need skilled machinists who can operate, say, lathes, milling machines, automatic screw machines or computerized numerical controls.

Small shops are sophisticated places to work that pay wages up to \$15 an hour. But kids in school, who should be filling the jobs, aren't getting this information. All they hear about are plant closings. If they got the basic skills in geometry and trigonometry that they need to go into a shop, they would be set for life.

Shaking Off a 1930's Habit of Thought

By THOMAS A. RUSSO

SHAKEN by recent breakdowns in outdated trading systems and challenged by relentless technological advances, the nation's financial markets are considering steps needed to keep them competitive in global finance into the next century. The danger, though, is that the exchanges will settle for Band-Aids when major changes are needed.

The challenges facing the financial exchanges — commodities as well as stock exchanges — are essentially the same as those that American manufacturers faced 10 years or so ago. Domestic markets long immune to foreign competition are suddenly opening up, and exchanges that in past years never seriously thought about competitors are now looking over their shoulders. With the communications revolution fast creating a global financial market, exchanges that fail to adopt the latest, most efficient, speediest and most convenient trading systems will soon be swept aside by those that do.

The exchanges have taken several preliminary steps that could help our markets maintain their preeminence. In an effort to capture more of the Far Eastern market, the Chicago Board of Trade recently inaugurated evening trading in its immensely popular Treasury bond futures contract. Similarly, the Philadelphia Stock Exchange plans an evening currency trading session aimed at the Far Eastern market. These actions build upon the electronic trading links that have been established lately to allow trades executed on offshore exchanges to be transferred to our financial markets. But more needs to be done.

In particular, more dramatic strides could be made through the

skillful and farsighted use of technology. High-speed communications, real-time market information, artificial intelligence and other computer breakthroughs could permit trading around-the-clock, giving instantaneous market access to traders in the suburbs of Chicago and New York as well as in Tokyo and London.

The assumption that participants are interested in trading only between the opening and closing bells has become dangerously outdated as capital accumulates abroad and markets become increasingly international. If our exchanges do not use their capital and technology to create markets that can be conveniently accessed by major participants outside our borders at any time, somebody else surely will.

But even the farsighted use of technology cannot assure that our financial markets will remain competitive. The United States regulatory superstructure needs revision as well.

In many respects, our financial regulations provide a useful model for nations that wish to promote the integrity and efficiency of their markets. Nevertheless, certain key regulatory concepts are holdovers from a less complex era. Many of the rules were developed to address problems that have long since disappeared or that can be remedied by less disruptive methods. The markets should be governed by rules that are appropriate to the 1980's and 1990's rather than the 1930's.

For example, many of the rules limiting the size of a position that traders may take in futures or options are decades old and far too restrictive. The limit on cotton of 30,000 bales was set in 1940. Even the newer limits are too restrictive. Positions for S&P 500 stock index futures are limited to just 5,000 contracts, worth about \$750 million. While this may

sound like a lot, it isn't much to institutional managers who may be managing funds worth billions of dollars.

Regulatory confusion also hampers the markets in the area of margin requirements — the cash amount investors must put up to buy a financial instrument. Because of "overlapping" regulatory authority, margin rules vary widely from market to market. For example, stock index options are traded in one market, subject to the Securities and Exchange Commission, while futures contracts on those same indexes are traded in other markets, subject to the Commodity Futures Trading Commission.

The same bifurcated regulatory approach applies to trading in foreign currencies, government securities and other financial instruments, leading to a host of problems such as the following.

Say, for the sake of argument, that an investor wrote currency call options to buy 250,000 marks on the Philadelphia Stock Exchange and bought call options for 250,000 marks on the Chicago Mercantile Exchange. The investor would be perfectly hedged, and thus at no risk. Since the amount of the margin is generally related to the riskiness of the position, the margin should be quite low.

Yet, because the S.E.C. oversees the Philadelphia exchange and the C.F.T.C. oversees the Chicago Mercantile Exchange, these transactions would be treated as independent for margin purposes. Thus, the investor would have to put up a large amount of money for an essentially riskless position, raising the cost of participating in the American market. This sort of inefficiency is inexcusable.

Many of the exchanges' own regulations also are outdated. Currently, nearly all commodities trades must be submitted to the exchange floor where they are executed by "open

and competitive outcry." The idea behind the outcry system is that all orders should be exposed to the market so that participants have equal knowledge of prices and the opportunity to take the other side of each trade. Although this concept continues to be valid, the insistence of some exchanges that every aspect of a transaction — even down to the expression of interest by one of the parties — take place on the trading floor is outmoded.

And the exchanges often display a distressing reluctance to experiment. Over the last several years, for example, certain commodities exchanges have sought permission to try using specialists or market-makers, like those on the Big Board. Proponents say that specialists would enhance the liquidity of, and increase investor confidence in, their markets, particularly inactive ones. The C.F.T.C. has refused, saying that a specialist system would be incompatible with the outcry system. Similarly, uncertainty has been expressed about the ability to permit block trading, "sunshine trading," automatic order execution and other trading innovations that might facilitate the execution of trades.

I do not mean to suggest that our laws and regulations should sink to the lowest common denominator. Our stringent regulatory structure has engendered a confidence in our markets that has helped make them strong and liquid. However, significant portions of our regulatory structure originated in an era of relative isolation and independence, for finance and industry as well as for the Government. In a time of growing interdependence and rapid technological change, however, we can no longer afford obsolete financial markets or regulations that we can obsolete factories.

The Economy

WEEK IN BUSINESS

The Venice summit meeting ended with the leading non-Communist industrial nations providing a somber assessment of the world economy and a series of generalized proposals to deal with persistent problems. While participants from all seven nations said they were satisfied with the results, no breakthroughs were claimed, and the United States settled for less than it had sought. Of President Reagan, one European senior official was quoted as saying, "He was a pussycat here." The President yielded, for instance, on the matter of getting a binding commitment that the nations would eliminate agricultural subsidies by the year 2000.

United States officials said the highlight of the meeting from the economic point of view was the formal adoption of new methods for coordinating policy, but the agreement lacked a trigger mechanism that would automatically convene a meeting of finance ministers.

The board of Allegis acquiesced in the face of increasing pressure to break up the company. It agreed to sell its Hertz, Hilton and Westin units and accept the resignation of Richard J. Ferris as chairman. The company's plan, under which it will change its name again, to United Airlines Inc., was a victory for the pilots' union and the Wall Street money management firm Coniston Partners. Both had been pressing for a breakup of the company in campaigns that had driven its stock sharply higher since late April. The board chose Frank A. Olson, Hertz's chairman, to succeed Mr. Ferris.

The trade deficit narrowed slightly in April, dropping to \$13.3 billion and providing some evidence that the worst of the country's trade problems are over.

Wholesale prices posted their smallest increase in three months, an advance of three-tenths of 1 percent in May. ... A Commerce Department survey showed that American businesses planned to increase their capital spending by 2.8 percent this year, after a 3.1 percent drop in 1986.

The S.E.C. proposed a rule that would clear the way for the New York Stock Exchange to amend its one-share, one-vote standard to allow a company to list more than one class of stock. The proposal would forbid a corporation from issuing new classes of stock that carry more than one vote per share, but it would not prevent creation of classes of stock with less than one vote per share.

The Supreme Court ruled, 5 to 4, that securities-fraud suits must be decided by arbitration rather than in court if an investor has signed a contract with a broker containing such a provision. A number of lower Federal court decisions had held such arbitration clauses to be unenforceable, and the High Court's decision was considered an important victory for the securities industry.

The J.W.T. Group received an offer of \$420 million from WPP Group, a British company. The parent of the venerable J. Walter Thompson advertising agency, whose financial performance has been lackluster and whose top ranks have been thinned by several departures, did not immediately respond to the offer. In a field that has seen innumerable mergers in recent years, it was the first unsolicited takeover offer.

Creating "superbanks" is favored by top Treasury officials to enable United States banks to compete with institutions in Japan and Europe that are both bigger and more profitable. Prominent supporters include George D. Gould, Under Secretary of the Treasury, and Alan Greenspan, who endorsed the idea in an interview before he was nominated to head the Federal Reserve Board.

BankAmerica will add \$1.1 billion to its reserves for future losses on loans to developing nations. The action, which the beleaguered bank had been saying it would not have to take, will produce a loss of \$1 billion in the quarter and a loss for the year. Chemical New York later said it would take a similar action, setting aside an additional \$1.1 billion in the second quarter. It expects a loss of \$710 million for the year.

The bid for Burlington Industries was raised by \$2 a share, to \$78, by a leveraged buyout group led by Morgan Stanley. The new bid for the nation's largest textile company exceeded a hostile offer of \$77 a share by Asher B. Edelman and Dominion Textile of Canada, which hinted that it might raise its own offer.

Procter & Gamble will take an \$800 million pre-tax charge against earnings in a reorganization of product lines. P&G will scale back its ready-to-eat cookie operations, shift its emphasis to liquid detergents from powders and reduce the number of plants making shortening and cooking oil.

The stock market moved ahead. The Dow Jones industrial average rose each day, gaining 51.58 points, for the week, to close at 2,326.15. The credit markets rallied on Friday in response to lower inflation and the smaller trade deficit. The 30-year Treasury bond finished the week with a yield of less than 8.5 percent.

Miscellaneous. Intel repurchased \$381.6 million of its shares from I.B.M. ... Leading airlines raised fares. ... Continental Gummi-Werke of Germany said it plans to make an offer for the tire-making operations of GenCorp.

IN QUOTES
"Anything that recognizes that the U.S. banking system is at a disadvantage is positive. But there may be an exaggerated emphasis on size."

William McDonough, vice chairman of First Chicago, commenting on the idea of creating "superbanks."

The New York Stock Exchange

WEEK ENDED STOCKS WEEK ENDED JUNE 12, 1987 (Consolidated)				
Company	Sales	Last	Net Chng	
Pac GE	18,591,300	20 1/2	-	%
Det Ed	16,401,700	16 1/2	...	
Dayt Hd	11,811,800	54 1/2	+ 4 1/2	%
Pen Am	10,747,000	5 1/2	+ 3/8	%
AT&T	8,515,000	26 1/2	+ 7/8	%
Waste	8,028,500	39 1/2	- 1 1/2	%
Gen El	8,006,100	53 1/2	+ 1 1/2	%
IBM	7,395,500	156 1/2	- 3 1/2	%
A Exp	7,326,800	35 1/2	+ 2	%
Allegis	7,324,200	9 1/2	+ 1 1/2	%
Arch Dn	6,196,500	23 1/2	+ 2 1/2	%
Morgn	6,148,300	50 1/2	+ 5	%
Texaco	6,145,300	39	+ 1	%
Gillette	5,918,200	34 1/2	+ 1 1/2	%
Navistar	5,896,600	8 1/2	- 1/8	%

MARKET DIARY				
	Last	Prev.		
	Week	Week		
Advances	1,389	1,170		
Declines	565	738		
Total Issues	2,189	2,172		
New Highs	165	102		
New Lows	41	82		

VOLUME				
	Last	Year		
	Week	To Date		
Total Sales	811,566,890	20,388,026,718		
Same Per. 1986	626,009,991	16,113,678,991		

WEEK'S MARKET AVERAGES				
	High	Low	Last	Chng
New York Stock Exchange				
Industrial	207.0	200.9	206.5	+4.77
Transport	153.3	146.4	152.9	+6.95
Utilities	74.3	72.5	74.3	+1.85
Finance	154.9	147.6	154.9	+6.93
Composite	170.1	164.9	169.8	+4.38



Ronald Reagan and Prime Minister Amintore Fanfani.

BankAmerica will add \$1.1 billion to its reserves for future losses on loans to developing nations. The action, which the beleaguered bank had been saying it would not have to take, will produce a loss of \$1 billion in the quarter and a loss for the year. Chemical New York later said it would take a similar action, setting aside an additional \$1.1 billion in the second quarter. It expects a loss of \$710 million for the year.

The bid for Burlington Industries was raised by \$2 a share, to \$78, by a leveraged buyout group led by Morgan Stanley. The new bid for the nation's largest textile company exceeded a hostile offer of \$77 a share by Asher B. Edelman and Dominion Textile of Canada, which hinted that it might raise its own offer.

Procter & Gamble will take an \$800 million pre-tax charge against earnings in a reorganization of product lines. P&G will scale back its ready-to-eat cookie operations, shift its emphasis to liquid detergents from powders and reduce the number of plants making shortening and cooking oil.

The stock market moved ahead. The Dow Jones industrial average rose each day, gaining 51.58 points, for the week, to close at 2,326.15. The credit markets rallied on Friday in response to lower inflation and the smaller trade deficit. The 30-year Treasury bond finished the week with a yield of less than 8.5 percent.

Miscellaneous. Intel repurchased \$381.6 million of its shares from I.B.M. ... Leading airlines raised fares. ... Continental Gummi-Werke of Germany said it plans to make an offer for the tire-making operations of GenCorp.

IN QUOTES
"Anything that recognizes that the U.S. banking system is at a disadvantage is positive. But there may be an exaggerated emphasis on size."

William McDonough, vice chairman of First Chicago, commenting on the idea of creating "superbanks."

The American Stock Exchange

WEEK ENDED STOCKS WEEK ENDED JUNE 12, 1987 (Consolidated)				
Company	Sales	Last	Net Chng	
Wickes	5,307,000	4 1/2	+ 1/8	%
TexAir	3,181,900	38	+ 2 1/2	%
Viacom pf	2,458,100	24 1/2	...	
W Digi	1,852,100	26	- 2 1/2	%
BAT	1,527,200	9 1/2	+ 1/8	%
WangB	1,206,800	17 1/2	+ 3/8	%
Fruit	1,001,700	7 1/2	+ 1/2	%
Hasbro	995,700	23 1/2	+ 1/8	%
LoTel	976,400	17 1/2	+ 3/8	%
FAusPr	952,500	8 1/2	+ 1/8	%

MARKET DIARY				
	Last	Prev.		
	Week	Week		
Advances	481	408		
Declined	360	378		
Unchanged	145	174		
Total Issues	966	960		
New Highs	44	46		
New Lows	38	40		

VOLUME				
	Last	Year		
Stock Exchange				
Standard & Poor's				
400 Indust	350.0	338.3	349.1	+ 8.8

CACTI ARE often overlooked when gardens are planted but the need for them soon becomes evident when one notices dry patches here and there where conventional plants refuse to take hold.

Cacti abhor soggy soil: a raised bed of crushed rocks, coarse sand, pea-gravel, *tuff hagolan* or perlite suits them. Since these fine-textured materials tend to shift, or wash away, decorative rocks (in the woods around Jerusalem you can find such rocks in abundance) are often embedded at varying depths to stabilize planting area and to provide the warm, protected niches that cacti like.

Walter Frankl

Every season, we find tiny or miniature flower pots containing these funny, grotesquely-shaped cacti. Each year more of our amateur gardeners have become interested in these extraordinary succulent plants. These little jewels multiply rather slowly but, given two or three years, can turn a small crevice between decorative rocks into an artfully arranged, still-life picture.

There are 200 general of the Cactaceae family with over 10,000 species and varieties. All cacti originate from the Americas. Most are at home in Peru, Bolivia or Mexico, where some of them reach a height of several metres. It is believed that

cacti evolved over millions of years from other related plants by adaptation to the changing climatic conditions of their habitat, especially the regularity and amount of rainfall. Those plants that were able to adapt to the changing conditions, by increasing their succulence, became the forerunners of the present extreme forms which are so excellently equipped that they are able to survive even in deserts on the very threshold of death.

In Israel, there are no native, wild-cacti. All were introduced to the region at one time or another.

The most commonly seen "true" cactus in Israel is the *Opuntia ficus indica*. Also called "prickly pear" or "barbary fig," its Hebrew name is *tzabar*.

This plant was apparently introduced to Spain by Columbus and later found its way to North Africa, Egypt and Palestine, where its use is widespread in Arab villages to this day. We shall return to the *tzabar* further on.

A collection of cacti and other succulent plants provides an interesting, low-maintenance, hobby section of the garden. Even the beginner can expect success with these plants. Try a few of the smaller types indoors on a sunny windowsill and find a warm, dry area in the garden for the bigger ones. Grow them outdoors in containers or in a special cacti corner. Because cacti plants can store moisture, they can withstand quite dry conditions, which makes them of great value when

Prickly subject

GARDENER'S CORNER



Prickly pear fruits form at the base of the flowers

water is in short supply. If you want to grow the really spiny varieties, keep them well clear of children's playing areas. June is a perfect time to start a cactus collection or to enrich an existing one with additional specimens.

Smaller cactus pots indoors, can be given a weekly watering. Do not water if the soil is still moist. Cacti outdoors may need a watering twice a week during the warm summer months. It all depends on how quickly the area dries out and how deep the root systems are. More frequent soakings on dry *hamish* days are recommended.

Like many other plants, cacti have a dormancy season in the winter. During this period no water nor fertilizer should be provided - with the exception of the so-called Christmas cactus (*Epiphyllum truncatum*). This species flowers in December and should, therefore, enjoy its dormancy after its flowers fade (from January to end of March). If your *Epiphyllum* is potted, store it in the container after the flowers fade in a protected, dry place so that the late winter rains will not affect this essential period of dormancy.

A suitable soil mixture for cacti is as follows: two parts loam or red soil, one part crushed bricks or pumice, and one part crushed charcoal. Some growers also add small quantities of leaf mould and river (sea) sand. As cacti require very little plant food, a small quantity of a slow-release fertilizer (Osmocote) can be added when

the plants are well established. Eco-gro produces a special liquid fertilizer for cacti which gives good results if given at the recommended rate printed on the bottle.

Cacti will grow in most kinds of containers from the smallest flower pot to a large bucket. *Epiphyllum truncatum*, makes a lovely hanging basket specimen, but the basket should be lined with peat moss or dry leaves to prevent its drying out. The baskets should have fresh soil each spring and more frequent waterings in summer.

You can try to grow your own plants from seed in a sand (or vermiculite) filled germination box. Cactus seeds are like minute points. They should not be covered but spread over the surface and watered carefully using a handsprayer. Germination takes several weeks. This is an interesting but difficult job. It is quicker and easier to propagate cacti by cuttings or by off-sets which develop at the base of the parent plant. Don't expose cuttings or off-sets to direct sunlight.

LIMITED SPACE precludes our describing dozens of cactus plants; we shall restrict ourselves to the oldest and most common of this country. The edible fruit of the "prickly pear" emerge at the base of the showy yellow flowers. They are plum-shaped and about 5-6 cm long. They must be handled carefully as the bristly hairs on its outer covering can cause a painful skin reaction. Their lush golden pulp re-

sembles that of a melon. Fruit vendors sell them well chilled from trays of shaved ice, peeling the skin on the spot with a sharp knife.

In Mexico, the young joints of the *Opuntia* cactus usually referred to as "pads" are popular as food. They too are covered with bristles that must be removed before eating. The pads are cut up, boiled and served with salt, pepper and butter; their taste most closely resembles that of string beans. In Spain and Mexico these pads, called *nopales* are also offered as canned vegetables.

The *Tzabar* is not suitable as a pot or balcony plant, because it will quickly outgrow every container; its spines are another reason to keep it in the garden. Showy yellow blossoms and green or red fruit make it a decorative item in the cactus corner, where, with its great heights it can form a marvellous background together with other cacti, succulents and rockery plants between natural rocks.

A spineless *Opuntia ficus indica* has been created by Luther Burbank, an American botanist. This type, and a new one with almost seedless fruit, is also appearing at local nurseries.

Today, several specialized cactus nurseries grow different species for export and for the local market. We should recall the pioneer in the field: the late Israel Hebel who introduced nearly all the cactus specimen which we see today at the florists from his nursery in Ra'anana about 50 years ago.

AMID THE organized chaos that prevails in the cramped quarters of the Court of the Chief Rabbi here, Sir Immanuel Jakobovits sits calm and serene, a thoughtful, responsible presence who has now led British Jewry for a remarkable 20 years.

He is particularly proud that the number of children at Jewish day schools has doubled since he became chief rabbi, for he regards a Jewish education as the birthright of every child. "Even if they are not committed to our heritage, at least they should be familiar with it."

Jakobovits is an elegant, erudite speaker, a charismatic, full-bearded figure who selects his words with great care, and expresses them in a mellifluous mid-European accent.

He thinks his community could do with rather more self-confidence, believing that it "loves to run itself down. It's given to self-denigration and often to a sense of despair that it is bound to get lost and disappear."

But Anglo-Jewry is no longer in danger of dying out, he says: "the prophets of doom have been confounded." Certainly, he admits that the Jewish population is shrinking, in Britain as around the world, but "what we lose in quantity we largely make up for in quality. And our community today is far more knowledgeable and far more religiously observant than it has ever been in 300 years of its history."

Jakobovits sees his role of chief rabbi as one of "setting the sights, spelling out the objectives, challenging and prodding the community." He is also on a "constant talent hunt," looking for competent, highly-capable people to take up leading positions within the community.

The London Beth Din, he says, is probably the most widely-

recognized in the Diaspora, and there are talented people in all areas of Jewish leadership, he says, but never enough of them. The expanding education network will mean vacancies in 50 senior positions in the next five years, and these posts are not easily filled.

Jakobovits believes that the Jewish people will be altered greatly by demographic developments in the next two or three generations: Jewish numbers are shrinking, but "there is a silver lining to this cloud in the growth of the most-committed section of our people."

"You do not need to be a mathematician to realize that the highly-committed religious element will, in a few generations, become the majority."

This, he says, is remarkable, especially given that this element may have lost 90 per cent of its community in the Holocaust. He is "convinced that this change will overshadow everything else in Jewish life in the next 10 to 20 years. It is the most important development in the Jewish life, and its intensification and enrichment."

JAKOBOVITS IS not afraid to express opinions on developments in Israel, even though "the occasional critical asides have landed me in controversy far beyond the confines of my own community."

Britain's Chief Rabbi Immanuel Jakobovits

'Israel must listen to Diaspora'

David Horowitz/London

"It makes no sense," he says, "to talk of the centrality of Israel in Jewish life today unless we feel involved, and unless Israel is interested in consulting us and hearing what the extremities of the body of the Jewish people have to say."

"Their decisions affect my life and the life of my community and therefore must involve an input from the Diaspora."

He believes, in fact, that there are certain aspects of decision-making in Israel which can be seen more clearly from a distance - "notably regarding relations with the outside world."

"What I criticised at times were extreme views, radical views, that had religious support, or were, indeed, galvanized by religious elements. In fact, political extremism in Israel, I believe, is largely religiously inspired. And I wanted to know that any moderate opinions, equally and firmly, within the Jewish community."

Specifically, Jakobovits advocated the pursuit of peace "and even concern for the agony of Arab refugees and an understanding of the plight and demands made by our adversaries. It was certainly regarded as the odd man out, at least in the Orthodox rabbinate."

"Those opinions can today be uttered with impunity. I think that they are widely shared, even by

some of those who were my fiercest critics at the time."

HIS FIRMEST stand, however, has been against religious coercion in Israel. "I did not go along with the 'Who is a Jew' agitation, which was counterproductive," he says.

"I believe that these days, in a democratic society, you can only win out by persuasion and not by legislation or coercion. I think that the religious element will eventually prevail, but it will require a much broader presentation of Jewish values."

The universal dimensions of Judaism must be re-engaged, he says. Israel must not be just a dumping ground for refugees, but a real light unto the nations, "a moral state in which our national purpose will be to wipe out crime and vice and promote a certain spirituality which will gain reverence among the nations and respect among all Jews."

He would like to see the rabbinate "re-energized and re-focused, beyond its traditional concerns, into the realm of 'spiritual guidance in the widest sense'."

Even in secularist circles, he asserts, there is a thirst for instruction, "because, after all, the secular philosophy of Zionism has collapsed. The idea that Zionism in itself will solve the Jewish problem, that anti-Semitism will be eliminated, that the world will accept us as equals, this is an illusion which has exploded. We are as different as we

ever were. Double standards are applied to us by the majority of nations."

So long as Israel restricts its goals merely to seeking a land that is secure and prosperous in the physical sense, it is bound to lose out, Jakobovits believes, since there will always be other countries and communities that offer more safety and greater economic prospects.

"That is why we have today such great *yerida*. The secular ideal of Zionism has disillusioned them. What was promised - equality, security, prosperity - it could not offer. Unless we rediscover the true purpose of the return to Zion, in its wider spiritual sense, I don't think the aliyah figures will be substantially increased. The bulk of aliyah already comes from the most highly-committed element of our people."

Stressing again that he speaks from a rabbinical standpoint only, Jakobovits says that Israel should "be prepared in principle to make considerable, even territorial, concessions for the sake of a guaranteed and secure peace."

While, of course, Jakobovits subscribes to claims to the total biblical land of Israel, he does not believe that these claims need be asserted at this time, at the cost of peace, and at the cost of Israel's losing its Jewish character.

He would abhor negotiation with the present PLO leadership, however, as long as it remains committed to violence.

Truly great cellist



MUSIC REVIEW

ISRAELI FESTIVAL - HEINRICH SCHIFF, cello, with Aci Bertonecchi, piano (Rebecca Crown Auditorium, Jerusalem, June 11). J.S. Bach: Suite No. 3 in C major (for cello solo); Shostakovich: Sonata for Cello and Piano; Brahms: Sonata in E minor for Cello and Piano; Martin: Rostal Variations.

HEINRICH SCHIFF is one of the few, truly great living cellists. He handles the cello - a magnificent Stradivarius of 1698 vintage - almost as though it were part of his own self.

His Bach was both genuinely abstract and sensitively felt. His Shostakovich and Brahms ran the gamut of emotional states. Yet Schiff never exceeded a certain limit. The music which flows from his instrument, as from a spring, is extraordinarily well balanced, creating a rare unity. Form, technique, expression, sound - all seem to merge into one state-

ment which relays irresistible mellowness and, at the same time, indisputable authority.

His interpretations are as personal as they are authentic, as simple as they are creations of art. Everything has the freshness of a first encounter yet also contains the best of what tradition has to offer.

A full partner to all this was Aci Bertonecchi at the keyboard, who was not only immensely pleasing but contributed decisively to the integrity and perfection of the performance. A pity that the grand piano at the Rebecca Crown Auditorium has such a stinging, percussive sound. Despite this one shortcoming this was nevertheless a great evening and one of the highlights of the festival.

BENJAMIN BAR-AM

Poetry of poverty



June and the Paycock by Sean O'Casey. The Gate Theatre (Ireland)

WITH ITS undercurrents of devastating civil war and echoes of fanatic terrorism, *June* thematically has a tenuous relevance for us today. Theatricality, its dramatic techniques and acting styles have dated somewhat. The combination of mannered comedy, maudlin melodrama, sleazy sets and steamy squalor, presented

here with all its poignant blarney, is a step back in theatrical time. O'Casey's poetry of poverty, if visually authentic in its drabness, has a feeble ring emotively.

June does not ordinarily appear in The Gate's now markedly experimental repertoire. After the virtuoso avant-garde triumph of *I'll Go On*, one had hoped for an equally innovative approach to this classic chestnut. Irish drama of this kind, if it is to work, depends on the full flamboyant tradition of the older Irish actor, a treatment it received richly but alas only, from Donald McCann, a captivating Captain Boyle, and Maureen Potter, who topped the evening with her Misses Madigan. NAOMI DOUDAI

Cultured conversations

ONCE UPON a time I knew a Tel Aviv poet who used to entertain me when we met with all the latest gossip about Tel Aviv's bohemia. Never before or since have I been so well informed on who wasn't speaking to whom, who got blind drunk at which party and told Tel Aviv's uncrowned poet laureate that his, the drunk's, five-year-old son had a better ear for language than did the laureate; and, of course, who was philandering with whom.

I have since discovered that even among themselves, one of the last things poets talk about is poetry.

They talk about Yankel, who bagged the Ramat Gan Municipality Prize for Lyric Verse and can count himself lucky, he barely deserves Kfar Ata's. They discuss Moishe, who has wangled himself a cushy job as cultural attaché at one of our embassies abroad; Shloime, who has spent the past month licking the boots of all the literary critics in town, and you can bet a new volume of his stuff is due out; and, of course, who is philandering with whom.

Nor do painters talk much about art. They do ask: "Did you see Itzik's exhibition? Notice the way he

goes in for these thick black contours? Figures he's Rouault or what?" A major part of their conversation, though, concerns technicalities, such as the fact that a certain paint manufacturer's Titian red is a bit on the thinish side; that there's only one place in town to get a really good palette knife, but don't be tempted to buy your brushes there too, the man's prices are outrageous, last time I was in Paris I found this little shop on the rue Fabreux...

Writers of prose, whose conversations didn't use to differ so much from poets', have an entirely new subject nowadays: the word processor. They discuss the pros and cons of it, compare Apples to IBMs, brag about what their own can do, and how it took them less than a week to

RANDOM A ID Miriam Arad

make friends with it. Together they poke fun at old Ruby, who says word processor, word smocessor, the only way for a writer to write is with a pen.

Not having been privy to the conversation of musicians, I don't know what they talk about, but my guess is that the principle is the same, namely: Did you notice that Yossef skipped ten beats in his Bartok? Is it true they want to kick Shmuel out of the "Symphonietta"? Where do you get your piano tuned? And, of course, who is philandering with whom.

It's not surprising, really, since in this respect artists aren't much different from anyone else. When physicists meet, they may well spend some of their time discussing the be-

haviour of a new unstable nuclide, but a no less important question is how they're supposed to do their research on a lousy \$12,000, and isn't Yehzekel something, the way he goes round telling everyone he got invited to deliver a guest lecture at this U.S. university, and it turns out to be some backwoods college no one's ever heard of.

Poets, painters, physicists - they are all only human. And perhaps even angels don't just converse on such elevated matters as the divine wisdom or the precise locality of the seventh heaven, but ask where do you get your wings cleaned, and did you notice at yesterday's rehearsal of the celestial choir how Gabriel mixed up the hymns? He's getting quite beyond it, is poor old Gaby.

SOTHEBY'S
FOUNDED 1744

JEWELLERY SALES

AUTUMN 1987 - GENEVA - LONDON

Sotheby's international expert will examine jewellery and precious stones.

For evaluation please contact our office.

The Duchess of Windsor Jewellery Sale, Geneva, April 1987 will be broadcast on television on the "Mabat Sheni" programme tonight.

Sotheby's, 19 Dov Hos Street, Tel Aviv 63416

Tel. 03-223822, 245897 - Open: 9:00 a.m. - 5:00 p.m.

DELICIOUS
GOLD DISHES
AND SALADS
June 1987

AT THE
AMERICAN COLONY HOTEL
Feuerwehrsatz, Salade Nicoise, Avocado with shrimps and cocktail sauce, marinated salmon trout, veal, smoked salmon and more.
American Colony Hotel
Nahlas Road, Jerusalem
Tel. 02-232421



**Fly TWA in the
USA for
\$99.- a flight**



Right now our round-trip transatlantic fares are hard to beat.

What's more, when you fly TWA to and from the USA, you can take any TWA flight in the continental USA for only \$99.- per flight.

The minimum purchase is three flights at \$99.- each. And TWA can fly you to nearly 100 cities all over the USA.

Flying TWA to the USA is always great value.

For full details of our transatlantic fares and our \$99.- flights call your travel agent or TWA on 03-651212.

**Free Hotel offer
and Free Hertz car**
-- Subject to TWA's Summer
Leisure Travel program
conditions.
Ask your travel agent for
details.

Leading the way to the USA.

TWA

Mounting protectionism

Will Israel get hit in the cross-fire?

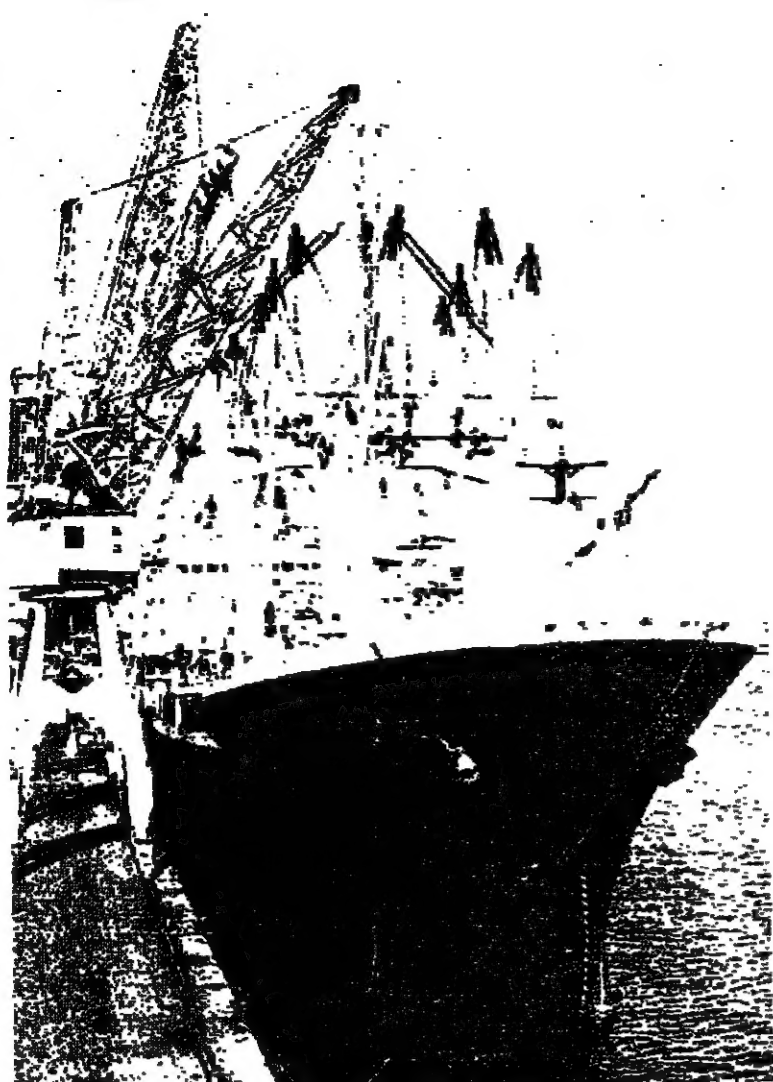
By KEN SCHACHTER
for The Jerusalem Post

TEL AVIV. — When the leaders of the Western world's economic goliaths met last week in Venice, they exhibited the mandatory good cheer and made the requisite pledges of allied solidarity. Not far from the surface, though, trade tensions continued to simmer. Massive trade imbalances show no signs of abating and the Group of Seven nations are at loggerheads in proposing a solution: the U.S. wants Japan and West Germany to stimulate their domestic consumption; the U.S. and Britain want Japan to open its markets to imports; Japan and West Germany want the U.S. to trim its budget deficit, and virtually everyone wants Japan to stop "dumping" its products abroad at below-market prices.

Across the Mediterranean, exporters in Tel Aviv and trade officials in Jerusalem watched the bickering with more than passing interest. If Israel's security is closely linked to that of her primary benefactor, the U.S., so her economic lifeline extends to her major trading partners in Europe and North America.

It has been with growing unease that Israelis have seen protectionist sentiment take root on Washington's Capitol Hill in response to Japan's whopping trade surplus with the U.S. just as chilling are indications that protectionist trends are spreading across the Atlantic, particularly in London. For Israeli exporters, it scarcely matters that the pre-summit sabre-rattling by U.S. President Reagan and British Prime Minister Margaret Thatcher was aimed directly at Tokyo. Industrialists here fear that if the U.S. Congress passes the protectionist legislation now under study and a full-scale trade war breaks out, little Israel could get caught in the cross-fire. And as even the most hawkish businessmen would be quick to admit, this is one war Israel would just as soon sit out.

One vital concern of the Israelis is that any protectionist legislation passed by the U.S. might somehow erode the 21-month-old bilateral Free Trade Area (FTA) agreement that is the centerpiece of trade relations between the two countries. The FTA gradually lowers tariffs over a 10-year period until, barring some unexpected glitch, goods and services flow over the almost seamless borders of the two countries. Joshua Maor, president of the Israel-American Chamber of Commerce, fears that the protectionist legislation now working its way through Congress may be just such a glitch. It



remains unclear what shape the final bill will take, but the 896-page version passed in the House of Representatives contains one hotly debated amendment requiring the president to retaliate against Japan and other trading partners that build up lopsided trade surpluses through the use of unfair practices. This also would stop U.S. agencies from buying in countries whose government procurement policies show bias toward U.S. companies.

How far the Western economic powers will let their trade differences go in souring their relations is open to question. Indeed, Japanese Prime Minister Yasuhiro Nakasone came to the summit with \$42 billion plan to stimulate his domestic economy and increase imports in an effort to reduce Tokyo's trade surplus that reached \$166 b. last year.

But it's far from clear that the gesture will placate U.S. congressmen who have watched a long-standing free-trade coalition crumble as the U.S. trade deficit mounted

and the 1988 election approached. Reagan has vowed that he will veto any measure requiring retaliation against Japan, but Nakasone, on a visit to Washington, still felt compelled to warn that if such a bill passed, it could lead to "a contraction in world trade." Meanwhile, the latest trade figures from Japan remain worrisome: the trade surplus declined 14.9 per cent in May, but mostly as a result of higher oil costs. The surplus with the U.S. grew 9.9 per cent, from the previous year (see page 7 for the latest U.S. figures).

Regardless of what form the final congressional bill takes, Maor is lobbying to have Israel exempted from its provisions, based on the special status Israel enjoys under the FTA. In essence, his group is trying to put Israel out of harm's way in any Western trade clash.

"We may just get crushed by those two icebergs moving together, the U.S. on one side, and the European Community and Japan on the other," he said. He said some

way was made in Washington last month when he met with several key lawmakers, including Representative Gill Frenzel of Minnesota and Senator Bob Packwood of Oregon, during the annual meeting of European-U.S. Chambers of Commerce. Thomas Roesch, commercial counsellor at the U.S. Embassy, said "a general consensus" has arisen in Congress to insert a provision in the law to exempt Israel based on the FTA, but, he cautioned, "There's many a slip twixt cup and lip."

Yael Ephron, an economist at Koor Industries Ltd., discounted the threat to Israel of being caught up in a trade spat between the U.S. and Japan, but said the overall trend of protectionism carried considerable risks for Israel and the global economy.

"It will hurt everybody," she said. "It must be a boomerang. It will hurt the U.S. too."

Those kinds of arguments haven't deterred Richard Gephardt, the author of the amendment requiring retaliation against unfair Japanese trade practices, from espousing a get-tough approach to trade that rejects traditional trade negotiation strategies. Instead, the Democratic congressman from Missouri favours an "emphasis on results" that will drive down a U.S. trade deficit that reached \$166b. last year. Critics of protectionism like Maor often point to a "lack of competitiveness" as the root of Washington's trade quandary, but Gephardt is basing a run for the presidency squarely on his philosophy of trade retaliation.

Protectionism also has been gaining ground in Europe in light of a trade deficit with Japan that has climbed to \$22b. over the last two years.

Israel's 12-year-old associate membership in the EC give exporters here the same kind of market access as Israel gets through the FTA. Trade experts discount the possibility that Israel could inadvertently get caught in a European fusillade aimed at Tokyo. More pressing for Israel, they say, are potential problems posed by the entry of Spain and Portugal into the EC. By 1992, there will be no duties on Spain's agricultural exports, which traditionally compete with Israeli-grown products, including citrus.

Europeans like to point to their relatively relaxed attitude toward Israeli trade policy as compared to the U.S. For example, U.S. companies have filed several anti-dumping complaints through the U.S. Commerce Department against Israeli products in recent years, while the last major European case was settled several years ago. Indeed, in what some Israelis see as symptomatic of the new U.S. protectionism, anti-dumping fees and countervailing duties several months ago were slapped on pipeline sold by Koor subsidiary, Middle East Tube Co., the first such sanctions by the U.S. against an Israeli industrial product.

Officials from the Industry and Trade Ministry, and Israeli industrialists were rebuffered in their claims that the U.S. law is unfair in allowing numerous foreign companies to be lumped together to demonstrate injury to U.S. companies in the domestic market. As Koor's Ephron says: "We must try to convince the U.S. that nobody is going to be hurt by Israel." The case also made clear a point that had been in dispute between the two countries: Does the FTA take precedence over previous enacted legislation? A clear-cut "no" from the U.S. in the Koor case led Israelis to ask for a clearly drawn exemption in the trade bill now under consideration.

Gephardt, the U.S. presidential candidate, outlined his trade ideas in a Washington Post column headlined "The New World of Foreign Trade." And in that "new world," the possibility of a trade war no longer is dismissed out of hand.

And, as the Chamber of Commerce's Maor noted: "When a trade war is going on and everyone is shooting in every direction, you may get hit."



Prime Minister Margaret Thatcher and Conservative Party Chairman Norman Tebbit.

Time for a consolidation

The British markets have already discounted the Thatcher win, and now all they have to look forward to are a few short-term gains and a boring summer.

By STEPHEN ADDISON

LONDON (Reuters). — British stock and bond markets seem set to consolidate after the Conservatives' election victory on Thursday, while overseas attention once again focuses on whether sterling will join the European Monetary System (EMS).

The certainty of a third term for Prime Minister Margaret Thatcher boosted all three markets briefly overnight — Thursday — in Britain, but the result had been so widely anticipated that early gains were soon wiped out by the profit takers. European markets were largely unaffected by the result. "The great move into sterling began weeks ago," commented a Swiss dealer.

Japanese investment interest had been expected to be a major influence once the result was known. But the expected rush of overseas funds has not materialized, dampening the euphoria for now, analysts say. Far Eastern money is still there, however, still interested and merely biding its time, they add.

Partly because of that sentiment, stock and bond markets are likely to notch up further gains in coming weeks before settling down to what several market participants feel will be a period of stability verging on boredom. "There could well be a summer lull in equities after a short-term improvement," says John Mant of brokers James Capel. Adding that any such flatness would likely be followed by renewed buying interest later in the year. Ken Inglis of brokers Phillips and Drew says the equities outlook was "very positive" and predicts a rise in the Financial Times 100 share index perhaps up to around 2400 over the next month, from 2284.9 Friday, before a consolidation period.

The index Friday morning surged 44.4 points, its fastest ever opening gain, before running into a wall profit-taking. Although Thatcher won a majority, of 101 seats in the 650-seat British Parliament, well above the 40 to 50 predicted by most opinion polls but down from the current 144 majority, the size of the majority was not a major factor in market dealings, analysts say.

"Anything above 50 was academic," says John Sheppard, gilt economist with Warburg Securities. Sheppard says the Japanese will be buying gilts in the coming months but he also foresees a period of flatness ahead with plenty of domestic sellers ready to cancel out the overseas interest.

The pound was not unduly impressed by the election result. With so many market participants long in sterling, awaiting the slightest upward move to take profits, it was unable to record any significant

gains Thursday night or Friday, dealers say.

The likelihood of Bank of England intervention at around three Deutschmarks makes any major rise seem doubtful for now, they say.

Opinion remains divided about the prospects for a half-point base rate cut from the present 9 per cent, with many analysts warning that a cut would bring an unwelcome growth in credit demand with its consequent implications for inflation. They mostly agree, though, that if Thatcher does overcome her objections to the EMS it will prob-

ably be later rather than earlier this year that sterling becomes a member.

Britain will join but not immediately, estimated the Bank of London Bank Group. The pound should be below current levels before any move towards membership.

Others in Britain agreed on a feel Thatcher's apparent political outlook of appearing to surrender an independent monetary policy to the West German's lead in the EMS would take a long time to overcome. Say analysts Cern Williams and Gerard Fox of Midland Montagu Research. "Political antipathy will win the day for the short term at least."

But Philippe Scheuer, an economist with Generale de Banque Brusseis, says the probability of British full membership in the near or medium term appears as high as it has ever been.



CROSSWORD

ACROSS

- 1 Beastly accommodation (7)
- 3 Spanish nobleman in a state in Mexico (7)
- 9 Irish county to make one glad (7)
- 10 Mixed by an elf it's deadly to an insect (3,4)
- 11 Watercolours in the main not Lunder's forte, possibly (9)
- 12 She's revolutionary in soccer's ruling body (5)
- 13 Hempen form of sails (5)
- 14 Consider alternatively a throw-back (9)
- 17 Replace pure seeds (9)
- 19 It's the feet that feel the pinch (5)

DOWN

- 22 Main arterial way (5)
- 23 Where one lives when one leaves the country? (9)
- 25 High-riser appears on all-in-blessing (7)
- 26 Give the others a right to begin anew (7)
- 27 Properties in key areas, say Maryland and Maine (7)
- 28 Part of the rig for an expert marksman (4,5)
- 1 Staid they may be aboard, but perverse (7)
- 2 Heats and cools gradually Ann's bitter concoction (7)
- 3 Reasonable chain of thought (5)

4 In which a Q.C. keeps his small change? (4,5)

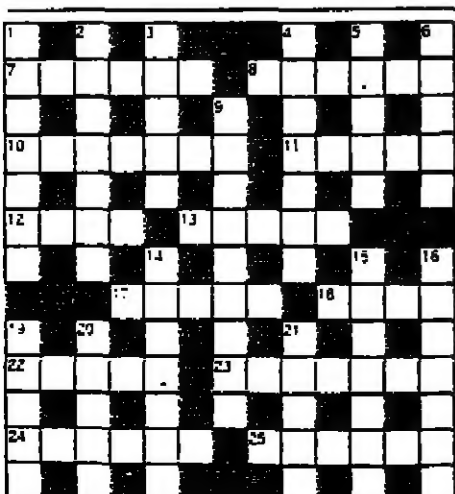
- 5 Gets touchy over draughts? (5)
- 6 Time for steady diversion from work (3,2,4)
- 7 The smallest round Wearside make the most spare (7)
- 8 & 21 Venue for those who want to go out to play (4,5,7)
- 14 Have fun with a bird nearby (4,5)
- 16 Where on earth democracy rules OK? (4,5)
- 17 Quiet walk with an awkward gait (7)
- 18 Ruff to adorn Chanticleer's fabulous mane (7)
- 20 Follow the example of a bird no longer with us (7)
- 21 See 8
- 23 Large casks one finds in a capital city (5)
- 24 Spray water on a prophet (5)

Yesterday's Solutions

SATURDAY
1. U.A. 2. M.A. 3. A.C. 4. M.A. 5. A.C. 6. M.A. 7. A.C. 8. M.A. 9. A.C. 10. M.A. 11. A.C. 12. M.A. 13. A.C. 14. M.A. 15. A.C. 16. M.A. 17. A.C. 18. M.A. 19. A.C. 20. M.A. 21. A.C. 22. M.A. 23. A.C. 24. M.A. 25. A.C. 26. M.A. 27. A.C. 28. M.A. 29. A.C. 30. M.A. 31. A.C. 32. M.A. 33. A.C. 34. M.A. 35. A.C. 36. M.A. 37. A.C. 38. M.A. 39. A.C. 40. M.A. 41. A.C. 42. M.A. 43. A.C. 44. M.A. 45. A.C. 46. M.A. 47. A.C. 48. M.A. 49. A.C. 50. M.A. 51. A.C. 52. M.A. 53. A.C. 54. M.A. 55. A.C. 56. M.A. 57. A.C. 58. M.A. 59. A.C. 60. M.A. 61. A.C. 62. M.A. 63. A.C. 64. M.A. 65. A.C. 66. M.A. 67. A.C. 68. M.A. 69. A.C. 70. M.A. 71. A.C. 72. M.A. 73. A.C. 74. M.A. 75. A.C. 76. M.A. 77. A.C. 78. M.A. 79. A.C. 80. M.A. 81. A.C. 82. M.A. 83. A.C. 84. M.A. 85. A.C. 86. M.A. 87. A.C. 88. M.A. 89. A.C. 90. M.A. 91. A.C. 92. M.A. 93. A.C. 94. M.A. 95. A.C. 96. M.A. 97. A.C. 98. M.A. 99. A.C. 100. M.A.

QUICK SOLUTION

- ACROSS: 1 Chaser. 4 Round. 8 Cured. 9 Glasses. 10 Leveret. 11 Star. 12 Elm. 14 Edge. 15 Army. 18 Dog. 21 Rule. 23 Renoue. 25 Cottage. 26 Niche. 27 Yield. 28 Attest. DOWN: 1 Cockle. 2 Arrived. 3 Endowed. 4 Real. 5 Upset. 6 Design. 7 Agate. 13 Martinet. 16 Manacle. 17 Tricky. 19 Green. 26 Devert. 22 Direx. 24 Mead.



QUICK CROSSWORD

ACROSS

- 7 Esteem
- 8 Victor
- 10 Warm scarf
- 11 Cramm
- 12 Solitary
- 13 Combine
- 17 Fast
- 18 Lake
- 22 Bush
- 23 Wood particles
- 24 Sufficient
- 25 Dinner course

DOWN

- 1 Pharmacist
- 2 Part of a horse's bit
- 3 Feather
- 4 Hair
- 5 Weariness
- 6 Honestly
- 9 Organised (anag.)
- 14 Vegetable
- 15 Need
- 16 Ling
- 19 Anything useful
- 20 Earlier
- 21 Not yet paid

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Roma, 523191; Balsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dor Adawa, Harod's Gate, 262058. Tel Aviv: Benny, 174 Dizengoff, 222386; Kupat Holim Clalit, 7 Amsterdam, 225142; Ra'anana-Kfar Sava: Hasharon, Derech Hasharon, Hod Hasharon. Netanya: Kupat Holim Laumit, 9 Smilansky, 338053. Krayot Haifa: Kupat Holim Hermann, Simat Modi'in, Kiryat Motzkin, 715136. Haifa: Yavne, 7 Ibn Sina, 672288.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Karem (internal, surgery, orthopedics, E.N.T.), Misgav Ladach (obstetrics), Shaare Zedek (ophthalmology). Tel Aviv: Rokah (pediatrics, internal, surgery).

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

FIRST AID 101

Magen David Adom

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 51332 Jerusalem 523133
Ashkelon 23333 Kiron 344442
Bat Yam 551111 Kiryat Shmona 94035
Beer Sheva 78393 Nahariya 823333
Carmiel 986666 Netanya 22333
Dan Region 781111 Patah Tikva 933111
Eilat 72333 Rehovot 451333
Hadera 322333 Rishon LeZion 94233
Haifa 512233 Safed 30333
Herzliya 936333 Tel Aviv 5480111
Holon 803133 Tiberias 790111

* Mobile Intensive Care Unit (MICU) service in the area, around the clock. "Ezer" — Emotional First Aid. Tel. Jerusalem 227171, Tel Aviv 5461111 (children/youth 03-281113), Haifa 672222, Beer Sheva 418111, Netanya 35316.

Rape Crisis Centre (24 hours), for help call Tel Aviv, 224013, Jerusalem — 265554, and Haifa 326311.

The National Poison Control Centre at Rambam Hospital, phone (04) 523205, for emergency calls, 24 hours a day, for information in case of poisoning. Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

FLIGHTS

24 — Hours Flight Information Services: Call 03-09712484 (multi-line), Arrivals Only (Taped Message) 03-381111 (20 lines)

Get away from it all at the Daniel Hotel & Spa, Herzliya, keep in touch with The Jerusalem Post.

The Daniel Hotel & Spa distributes complimentary copies of The Jerusalem Post to guests every day.

مركز فني

MARKET PLACE

PINHAS LANDAU

Travel trends

The surge of incoming tourism has eased back. That is the bad news in the latest figures on tourist arrivals, published last week by the Central Bureau of Statistics. The figures for the next crucial month or two will have to be watched very carefully to see whether the April-May figures were a blip, or the beginning of a new trend - downwards.

As of this moment, there is no cause for alarm. The chances are that 1987 will be a very good year for tourism, and quite possibly a record-breaker, surpassing 1985. It is almost certain that this year will bear no resemblance to the disastrous year of 1986, in crude comparative terms, therefore, the situation is OK.

But a closer reading of the numbers illustrates why there is cause for a measure of watchfulness, if not yet concern.

It will be recalled, at least by regular readers of this column, that November-December 1986 marked a sharp turning point in the decline in tourism that had occurred in the wake of the Achille Lauro hijacking in October 1985, and the Rome and Vienna terrorist incidents two months later. These shocks, and the less dramatic but probably more potent factor of the dollar's collapse, sent tourism into a tailspin through most of 1986.

With the botanists screaming blue murder as Christmas approached, one might have thought that Israeli tourism was a terminal case. However, as we ventured to point out in December and January, at the very time that the hotel owners were threatening to close down, their business suddenly zoomed ahead.

True, the provisional figures we reported in January, which suggested December 1986 had been the best month ever, were adjusted downward. But the basic fact of the turnaround in November-December was absolutely correct. It continued straight through the first quarter.

Not surprisingly, the means and groans of the hoteliers and their patrons in the Tourism Ministry were washed away by this flood of customers. The talk turned to the prospect of a record-breaking year.

This rosy forecast is now in doubt. Although no untoward events occurred in the military and other spheres in the last few months, the number of incoming tourists has changed direction, as the following (seasonally-adjusted) figures make clear: January - 106,000; February - 114,000; March - 116,000; April - 112,000; and May - 109,000.

In other words, the trend turned in November and peaked in March, after which it has declined for two successive months. If the fall extends through June, it will have to be seen as a fundamental change of trend, not a mere slippage.

The important figures are the ones showing a fall in the April-May total compared with February-March. Alternatively, using 1985 as the basis of comparison for this year, instead of 1986, the above figures are very revealing. In the first three months of the year, 1987 was comfortably ahead of 1985. In April the figures were neck-and-neck - while May 1987 was marginally lower than 1985. June was the best month of the year two years ago.

What this indicates is that the minimum requirement now is for a stabilization of the arrivals rate, if not for a renewed pick-up. That is from the overall economic viewpoint. Given that there are now more hotels, and many of the old ones are still ticking their wounds from the slump, it is probable that only an increase will enable the industry as a whole to be profitable.

After investment plan is rejected
High tech group
to fight Treasury

By KEN SCHACHTER
TEL AVIV. - The Israeli High Technology Industries Association said yesterday it was declaring war on the Treasury, which last week rejected the group's plan to encourage venture capital investment in small, export-oriented companies.

At a press conference the association's chairman, Moshe Cohen, termed the fight a struggle against what he called "a Treasury policy that will bring ruin to the high tech sector."

Two years ago, the group representing 800 small firms in the fields of electronics, biotechnology, agriculture, medicine and security put forward a proposal under which the government would allow investors to take a tax deduction if they put their money in funds arranged by the group. For instance, one fund would include small biotechnology companies, while another would comprise security firms.

Cohen, said that in rejecting the plan, which the group had hoped

would yield "hundreds of millions of dollars," the Treasury had cited the failure of government research and development funds to revitalize financially troubled Elscint Ltd.

The problems small Israeli companies have in exporting their products are reflected in the fact that 4 per cent of the approximately 800 high tech companies in Israel account for more than 70 per cent of the exports on a dollar basis. "Which means something is wrong with the system," Cohen said.

Small Israeli high tech firms are failing to reap the fruits of their product development for lack of marketing funds, said Cohen, who is managing director of Pan Universe International, a security firm. Cohen estimated that marketing abroad requires three or four dollars for every dollar spent in research.

Cohen said that the situation in the high tech sector had grown so bad that large numbers of technically trained Israelis were leaving the country. He presented figures at yesterday's press conference showing that some 200 Israelis with postgraduate degrees had left the country in the past year.

BUSINESS BRIEFS

Joblessness
declined
in 1st quarter

The civilian unemployment rate fell to 5.7 per cent in the first three months of the year, compared with 6.7 per cent in the previous quarter and 7.2 per cent a year ago, the Central Bureau of Statistics reported yesterday.

It said an average of 84,000 people a week were out of work but actively seeking employment during the January-March period. By comparison, the total civilian work-force totalled 1,478 million in the quarter, or 50.3 per cent of the civilian population.

Seasonally adjusted, the rate of labour force participation was about the same as in the year-earlier period, at 50.5 per cent.

The statistics bureau noted that the participation rate of men in the work-force had declined, to 62.4 per cent in January-March, compared with 63.1 per cent in the previous quarter and 63.5 per cent a year earlier. By comparison, the rate for women grew to 39 per cent, from 38.3 per cent both in the October-December quarter and a year ago.

THE INVESTMENTS CENTRE of the Industry and Trade Ministry

yesterday approved 13 industrial projects representing an aggregate investment of \$17 million. It estimated that the projects would eventually produce \$9.8m. in exports and 138 jobs.

Among the projects approved was a waste-recycling plant - the first in Israel - that will process paper, plastic, glass and metal.

TEVA PHARMACEUTICALS Ltd. reported preliminary results to the Tel Aviv Stock Exchange yesterday for the year ended March 31. It said sales were \$139.64 million, pre-tax profit \$21.29m. and net earnings \$23.22m. Teva added that it would be paying a dividend of 14.2 per cent a share.

GERMAN TOURISM to Israel would double if Jerusalem could organize a better information campaign, Stuttgart Mayor Manfred Rummel told Tourism Minister Avraham Shariar yesterday.

Stuttgart will be the first of the 40 West German towns and cities twinned with locations in Israel, to hold an Israel Week aimed at encouraging tourism to Israel during its 40th anniversary.

Last year, 140,000 Germans visited Israel, down 20,000 from 1985's record level. Shariar told *The Jerusalem Post* that there are definite indications that 1987 will be a record year and that 1988 will be even better.

CURRENCY MARKETS

Dollar recovers
but trend
is downward

The dollar recovered on Friday, after being lower all through last week. Boosted by the end-week U.S. trade figures, which showed that the deficit narrowed in April, from March, the U.S. currency ended little changed over the week. An 0.3 per cent rise in the May Producer Price Index, against 0.7 per cent gain in April also aided the dollar.

The Venice meeting of the Group of Seven ministers last week was basically disappointing from the market's viewpoint, although it was no surprise that the summit failed to come up with anything tangible. The Japanese prime minister, Yasuhiro Nakasone, said the G-7 was determined to prevent a further drop in the dollar.

The pound sterling benefited from the Conservative Party's victory. Although moved down against the dollar on Friday its trade-weighted index against all currencies remained relatively high.

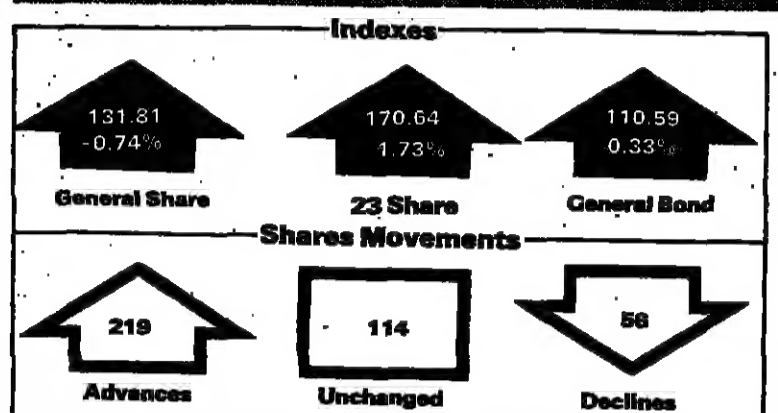
The overall picture of currency trends in the market is very neutral, with rates fluctuating within a wide trading range. Although the major trend is still down for the dollar, short-term movements reflect its resilience and ability to stabilize. Market operators are sceptical about the U.S. currency's ability to move up strongly, indicating that adjustments to interest rate differentials and macroeconomic policies already undertaken will take considerable time before they redress global external imbalances.

Nevertheless, the ability of the market to discount events and economic trends well in advance requires caution in trading currencies till it shows its next course.

The column appears courtesy of Boaz Barak Advisory Service.

HOTEL FRANK NAHARIYA
JUNE 15, 1987 - 14th FLOOR
JULY 15, 1987 - 15th FLOOR
JULY 15, 1987 - 16th FLOOR
JULY 15, 1987 - 17th FLOOR
JULY 15, 1987 - 18th FLOOR
JULY 15, 1987 - 19th FLOOR
JULY 15, 1987 - 20th FLOOR
JULY 15, 1987 - 21st FLOOR
JULY 15, 1987 - 22nd FLOOR
JULY 15, 1987 - 23rd FLOOR
JULY 15, 1987 - 24th FLOOR
JULY 15, 1987 - 25th FLOOR
JULY 15, 1987 - 26th FLOOR
JULY 15, 1987 - 27th FLOOR
JULY 15, 1987 - 28th FLOOR
JULY 15, 1987 - 29th FLOOR
JULY 15, 1987 - 30th FLOOR
JULY 15, 1987 - 31st FLOOR
JULY 15, 1987 - 32nd FLOOR
JULY 15, 1987 - 33rd FLOOR
JULY 15, 1987 - 34th FLOOR
JULY 15, 1987 - 35th FLOOR
JULY 15, 1987 - 36th FLOOR
JULY 15, 1987 - 37th FLOOR
JULY 15, 1987 - 38th FLOOR
JULY 15, 1987 - 39th FLOOR
JULY 15, 1987 - 40th FLOOR
JULY 15, 1987 - 41st FLOOR
JULY 15, 1987 - 42nd FLOOR
JULY 15, 1987 - 43rd FLOOR
JULY 15, 1987 - 44th FLOOR
JULY 15, 1987 - 45th FLOOR
JULY 15, 1987 - 46th FLOOR
JULY 15, 1987 - 47th FLOOR
JULY 15, 1987 - 48th FLOOR
JULY 15, 1987 - 49th FLOOR
JULY 15, 1987 - 50th FLOOR
JULY 15, 1987 - 51st FLOOR
JULY 15, 1987 - 52nd FLOOR
JULY 15, 1987 - 53rd FLOOR
JULY 15, 1987 - 54th FLOOR
JULY 15, 1987 - 55th FLOOR
JULY 15, 1987 - 56th FLOOR
JULY 15, 1987 - 57th FLOOR
JULY 15, 1987 - 58th FLOOR
JULY 15, 1987 - 59th FLOOR
JULY 15, 1987 - 60th FLOOR
JULY 15, 1987 - 61st FLOOR
JULY 15, 1987 - 62nd FLOOR
JULY 15, 1987 - 63rd FLOOR
JULY 15, 1987 - 64th FLOOR
JULY 15, 1987 - 65th FLOOR
JULY 15, 1987 - 66th FLOOR
JULY 15, 1987 - 67th FLOOR
JULY 15, 1987 - 68th FLOOR
JULY 15, 1987 - 69th FLOOR
JULY 15, 1987 - 70th FLOOR
JULY 15, 1987 - 71st FLOOR
JULY 15, 1987 - 72nd FLOOR
JULY 15, 1987 - 73rd FLOOR
JULY 15, 1987 - 74th FLOOR
JULY 15, 1987 - 75th FLOOR
JULY 15, 1987 - 76th FLOOR
JULY 15, 1987 - 77th FLOOR
JULY 15, 1987 - 78th FLOOR
JULY 15, 1987 - 79th FLOOR
JULY 15, 1987 - 80th FLOOR
JULY 15, 1987 - 81st FLOOR
JULY 15, 1987 - 82nd FLOOR
JULY 15, 1987 - 83rd FLOOR
JULY 15, 1987 - 84th FLOOR
JULY 15, 1987 - 85th FLOOR
JULY 15, 1987 - 86th FLOOR
JULY 15, 1987 - 87th FLOOR
JULY 15, 1987 - 88th FLOOR
JULY 15, 1987 - 89th FLOOR
JULY 15, 1987 - 90th FLOOR
JULY 15, 1987 - 91st FLOOR
JULY 15, 1987 - 92nd FLOOR
JULY 15, 1987 - 93rd FLOOR
JULY 15, 1987 - 94th FLOOR
JULY 15, 1987 - 95th FLOOR
JULY 15, 1987 - 96th FLOOR
JULY 15, 1987 - 97th FLOOR
JULY 15, 1987 - 98th FLOOR
JULY 15, 1987 - 99th FLOOR
JULY 15, 1987 - 100th FLOOR

Tel Aviv Stock Exchange



Selected Prices

Name	Price	Ticker	% change
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Commercial Banks			
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-
Bank Leumi	2200	2200	-
Bank Hapoalim	2100	2100	-
Bank Mizrahi	2000	2000	-

1	SENIOR CITIZENS' CENTRE IN BEER SHEVA, WITHIN THE FRAMEWORK OF PROJECT RENEWAL.
2	The projected construction is approximately 450 sq.m.
3	Conditions of the tender as well as all other pertinent information can be obtained from
4	Tuesday, June 16, 1987 from the Agency, 17 Kaplan Street, Tel Aviv, room 717
5	between 9:00 a.m. and 12 noon, against a non-refundable payment of NIS 250.-
6	A special tour of the construction site for contractors will be held on Thursday, June 25,
7	1987, departing at 9:30 a.m. from the entrances to the Jewish Agency Building in
8	Beer Sheva, Hannefta Street 82, corner Shalom St.
9	For further information, call 052-2322000 on Wednesday, July 8, 1987, at the

